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Report on results achieved by the United Nations Capital Development Fund in 2013

Summary

At the end of a programming cycle in 2013, UNCDF has concentrated its effort to refine its approaches and instruments to increase the impact of its interventions within the overall context of the Istanbul Programme of Action for the Least Developed Countries (LDCs) for the Decade 2011-2020 and the post-2015 development framework.

Building on its core areas of expertise, UNCDF has increased its partnerships with the United Nations and other agencies, as well as with the private sector, to develop synergies and maximize impact on key development objectives. It has also capitalized on the synergies between its two programme areas – local development finance and inclusive finance – to pilot and scale up innovative finance mechanisms to increase investments and leverage the unused potential in developing countries.

UNCDF has also increased its interaction with members of the Executive Board through regular Stakeholder Consultations that have helped to shape its Strategic Framework for 2014-2017.

The financial situation, while marked by a robust increase in overall resources, still remained characterized by a low level of core resources that jeopardizes the ability of UNCDF to deploy its technical and investment mandates in 40 LDCs.

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Contents

Chapter		*Page*
I.	Introduction	3
II.	Programme results, 2013	4
	A. Local development finance	4
	B. Financial services for the poor	9
III.	Management results, 2013	13
IV.	Partnerships and advocacy	14
V.	Quality assurance	15
VI.	Financial analysis	16
VII.	UNCDF looking forward	17

I. Introduction

1. During 2013, which marked the end of a programming cycle, UNCDF was affected by the challenges facing the entire development community: (a) the post-2015 development framework and ongoing discussions on financing for development; and (b) the Istanbul Programme of Action for the Least Developed Countries (LDCs) for the Decade 2011-2020, which sets the ambitious target of enabling half of the LDCs to meet the criteria for graduation by 2020.

2. Building on its core areas of expertise, UNCDF has increased its partnerships with the United Nations and other agencies, as well as with the private sector, in order to develop synergies and maximize impact on key development objectives such as climate change adaptation, food security, gender equality, youth empowerment, cross-border cooperation and local economic development. In 2013, UNCDF stepped up its strategic interaction with the Executive Board and other key stakeholders, such as major foundations. A series of Stakeholder Consultations with members of the Executive Board and foundations during the course of the year helped to shape the direction of UNCDF for 2014-2017, particularly the articulation of its Strategic Framework, which is fully aligned with the UNDP Strategic Plan covering the same period.

3. Eradicating poverty, reducing inequalities and promoting inclusive and sustainable growth remain at the heart of the UNCDF mandate. Capital flows provided by UNCDF have focused on small and medium investments at the local level in LDCs to address unmet needs and unblock strategic opportunities.

4. UNCDF continues to prove concepts around innovative approaches and create the basis for scalable models related to specific development challenges, leading to national reforms. Present in 32 LDCs, UNCDF has a flexible capital investment mandate unique in the United Nations system, with the ability to use an array of financial instruments such as loans, grants, financial blending tools and credit enhancement instruments directly to the benefit of the private sector and sub-sovereign beneficiaries.

5. In 2013, UNCDF capitalized on the synergies between its two practice areas – local development finance and inclusive finance – to pilot and scale up innovative finance mechanisms to increase investments and leverage the unused potential in developing countries.

6. In its local development finance programme area, UNCDF launched a new strategy with a stronger focus on generating catalytic financing models from both public and private sources that aim to trigger scaling-up with the financial help of Governments, domestic and international financial institutions and other investors. In the inclusive finance programme area, UNCDF has encouraged the use of innovative distribution channels and technology (branchless banking and electronic payment systems) to digitalize social payment benefits to individuals, as well as the use of increased financial inclusion for the poor to help them access basic services (i.e., sustainable energy sources).

7. External oversight of UNCDF results continued apace in 2013 with the completion of three independent evaluations, two in the local development finance programme area and one in the inclusive finance programme area. This brought to 21 the number of external evaluations completed since 2010 and the launch of the Corporate Management Plan 2010-2013. Evaluation results were mixed. UNCDF programmes generally were found to be relevant and innovative in their approaches to promoting financial inclusion and increased local development financing at the local level; but for two of the projects, evaluators highlighted challenges in implementation and in generating and communicating results. These recommendations have been taken up through the UNCDF management response system, which sets out a series of key actions for programme improvement and is monitored regularly through the UNDP Evaluation Resource Centre.

8. In 2013, total UNCDF revenue reached $65.4 million, up from $55.5 million in 2012. The revenue increase was due mainly to the growth in non-core resources, which increased by 24 per cent over 2012 levels. Core resources registered a slight increase, to $16.3 million. Diversification of UNCDF donors also continued to improve.

II. Programme results, 2013

A. Local development finance

9. In preparation for the post-2015 agenda, the local development finance programme area launched a new strategy and approach which focuses on catalytic financing models for both the public and private sectors that trigger scaling-up by Governments, international financial institutions and other investors. The strategy, accompanied by a business plan, builds on analytical work undertaken during the previous two years and complements the UNCDF Strategic Framework for 2014-2017, which was presented to the Executive Board at the first regular session of 2014.

10. The revised approach to local development finance foresees new challenges for LDCs in enhancing local basic services, promoting local economic development and increasing local resilience to shocks in an increasingly uncertain world. Reductions in official development assistance are leading to an increasing focus on other sources of development finance. The approach recognizes that data from LDC economies indicate a level of domestic capital formation (public and private) that is significantly greater than a decade ago, although growth rates have slowed recently. A challenge now is to find ways of channeling these resources for local development in addition to attracting additional external resources. Therefore, the new approach is about:

(a) mobilizing additional capital for local development including from the domestic public and private sectors;

(b) designing appropriate allocation mechanisms for this capital (intergovernmental fiscal transfers, public-private partnerships, structured project finance);

(c) developing and testing effective investments (procurement systems, low-emission development strategy analysis; business plans; economic, social and environmental impact);

(d) securing these within an accountable local institutional environment (legal, political, social).

11. UNCDF has a 20-year track record of working in LDCs with local institutions through local development funds, and has added three more financing modalities that were designed and piloted during 2012 and 2013. Firstly, the Local Finance Initiative will support private and public-private infrastructure investments. Secondly, a portfolio of municipal finance projects will support LDCs in developing the capacity and the market to absorb municipal debt instruments (where appropriate). Finally, LDC Governments will be supported in the design and testing of government-to-person fiscal grants as instruments for local development finance, involving local institutions. The value proposition of UNCDF remains the same, to apply its seed capital and technical assistance to leverage further resources (public and private) that have a transformative effect on local economies, societies and institutions, making them more inclusive, accountable and prosperous. The approach not only strengthens local institutions but also recycles local capital, therefore increasing the integration and resilience of local economies and fostering sustainable processes of domestic productive capital formation for public social goods (schools, health centres, water supply and

sanitation), public economic goods (roads, markets, irrigation systems) and private goods (transportation facilities).

12. The year 2013 saw important milestones in the testing and development of these instruments. In Nepal, the piloting of government-to-person fiscal grants for a girls' scholarship scheme was scaled up by the Government and the World Bank. This innovative scheme involved payments to mothers for enrolling their daughters in local education facilities constructed with the local fiscal transfers already introduced following an earlier local development fund programme. The scheme includes a role for local governments in the targeting and monitoring of beneficiaries. Collaboration with the financial inclusion programme area on the selection of the payment service provider and the specification of the payment account opens up the scope for other financial services to be available to the beneficiaries. In December 2013, the initiative was showcased at an event during the European Development Days in Brussels, contributing to the debate about social protection and the post-2015 agenda.

13. In Bangladesh, agreement was reached with the Government for policy work on the legal, regulatory and institutional environment for municipal debt, to be accompanied by capacity-building of the selected municipal authorities, eventually leading to capital investment through municipal debt by 2015. The initial offering will enable specific climate-resilient investments in growing urban centres.

14. In the United Republic of Tanzania, the Local Finance Initiative continued to develop the incipient portfolio of local infrastructure investment from the private sector, including a micro hydro plant and transport hub financed through a public-private partnership with local government. Work also continued on a dairy project with farmers' cooperatives in Uganda. These projects, which target investments in areas hitherto ignored by domestic and international funders, aim to prove models for infrastructure finance in LDCs that will change the perceived risk of investing in the local economy and stimulate new relationships between domestic financial institutions and the local public and private sectors, providing a productive outlet for domestic capital and leveraging follow-on investment.

15. Building resilience to climate change is a key issue for the LDCs which requires effective local action. The Local Climate Adaptive Living Facility (LoCAL) is the UNCDF facility through which LDCs access climate financing for local level public and private investments. A "local climate adaptation summit" held in Cotonou, Benin in March 2013, resulted in nine African countries signing on to the LoCAL roadmap for joining the facility (Benin, Burkina Faso, Burundi, Ghana, Guinea, Mali, Mozambique, Niger and Uganda). Scoping and design studies – an important milestone along this road – were concluded in Bangladesh, Benin, Ghana, Mali, Nepal and Solomon Islands. By end-2013, Bangladesh and Benin had signed the Memorandum of Understanding and joined Bhutan and Cambodia as full partners in the facility. LoCAL was represented at the nineteenth session of the Conference of Parties to the United Nations Framework Convention on Climate Change in Warsaw, Poland; at the Global Forum on Using Country Systems to Manage Climate Finance in Incheon, Republic of Korea; and at the meeting on Climate Finance and the Private Sector: Investing in New Opportunities, also in Incheon[1]. The latter two events coincided with the launch of the Green Climate Fund secretariat and publication of joint research by UNCDF, UNDP and the United National Environment Programme on climate finance. Further funding of $7 million for the LoCAL programme was secured from the European Union, Government of Liechtenstein and the Swedish International Development Cooperation Agency during the year. Over 50 climate resilience projects were financed through performance-based grants to participating countries' local governments, with the objective of defining and demonstrating effective resilience and mobilizing further resources and actions.

[1] http://wri2013.org/eng/sub_0102.asp

16. A second thematic area is the growing food security portfolio, which supports LDCs in implementing their nutrition policies through establishing effective local food systems. Working largely through the local development fund instrument, UNCDF has developed a wide expertise in this domain (14 projects over the last decade). In 2013, three projects with a total value of $25 million were ongoing in Benin, Mali and Niger, and two new projects were approved for Burundi and Mozambique. UNCDF is also in partnership with the International Fund for Agricultural Development in Democratic Republic of Congo and Senegal and is developing a knowledge platform on local finance for food security. In Niger, a review of the PADEL programme (Support for local economic development (*Project appui au développement economique local*)) confirmed the role of local governments in ensuring food security.

17. UNCDF supports the peacebuilding and the regional integration process by promoting cross-border integration and local government representation at regional level through the Local Cross-Border Initiative (LOBI). UNCDF is developing and testing financial and governance mechanisms to cross-border local development funds in two specific areas: the "SKBo" triangle (Sikasso, Korhogo and Bobo Dioulasso), an area encompassing borderlands of Mali, Burkina Faso and Côte d'Ivoire; and the Sahel regional integration initiative (*Initiative pour l'Intégration Régionale au Sahel*, known as IIRSAHEL), which encompasses areas of Burkina Faso, Mali and Niger. UNCDF has taken an active role in the General Assembly of the local authorities council of the West African Economic and Monetary Union (*Conseil des Collectivités Territoriales*, Cotonou, July 2014) and in several meetings in Brussels to promote regional integration through local finance. In partnership with the Global Local Forum (an international think tank), UNCDF developed tools to analyze cross-border policies at national and local levels and define investment processes at the regional level. In 2014, UNCDF will continue to support regional integration and regional initiatives in West Africa and expand the approach to other regions including the Southern African Development Community and Association of Southeast Asian Nations.

18. LOBI, LoCAL and other relevant initiatives (including new projects on gender and food security to be launched in 2014) will apply the local development finance and local finance initiative instruments to develop a rolling pipeline of 20 investable projects for local development that have transformative impact and can unlock domestic sources of finance, building on the piloting in United Republic of Tanzania.

19. The local development finance theory of change includes scaling up the support to fiscal decentralization in national systems. For 2013, seven cases can be highlighted:

(a) In Lao People's Democratic Republic, the Government has formally begun an analysis of the potential to scale up the local development finance programme;

(b) In Somalia, where the local development finance programme is the largest component of the joint United Nations programme, the World Bank recommended $29 million in follow-up financing in 2014 and 2015;

(c) In Burkina Faso, the local development finance programme has supported the creation of the National Fund for Local Authorities and the mechanism is now supported by the Japan International Cooperation Agency;

(d) In Timor-Leste, UNCDF supported the Government in testing district strategic plans, which for the first time provide a district-level link between long-term national development priorities and local annual investment plans. These incorporated infrastructure investments that increase communities' resilience to climate change;

(e) In Bangladesh, 404 Union Parishads (local government councils) received $1.72 million in performance-based grants for 1,556 small but critical investments

to improve basic services. These are embedded within a wider government and World Bank programme that reaches all 4,500 rural local governments. UNCDF provides capacity support to the wider programme, which systematically incorporates the lessons learned from the innovations in the UNCDF-supported component;

(f) In Bhutan and Solomon Islands, the local development finance performance grant formula operating in all local governments in both countries will be continued under national programmes.

20. In Cambodia and Solomon Islands, work has begun on testing local development finance investment at the local level through specific government ministries. The project with the Government of Cambodia is supported by the Government of Australia and in Solomon Islands, similar discussions have been initiated with the Ministries of Health and Education.

21. In Lesotho, the 2013 local government assessment is the basis of the support to local governments in 2014. In Benin, Mali and Niger, the Local Authorities Financial and Institutional Assessment has strengthened local authorities' resilience to financial political and environmental shocks.

22. Information and communication technology (ICT) solutions have helped to facilitate and accelerate results in Benin, where the GCBO financial accounting system (gestion budgetaire et comptable des communes) has been developed and extended countrywide, and adaptations are under discussion for Mali and Niger. In Nepal, the existing project was concluded and a large new programme was approved which continues to support local development with a strategic role for UNCDF in testing new initiatives. One example from the concluding project was the piloting of financial accounting software that reduces by 70 per cent the administrative burden on staff for financial reporting. Similar ICT solutions were continued in Solomon Islands with the help of satellite facilities.

23. Many local development finance programmes emphasize revenue generation. In Ethiopia, the first round of investments of the local economic development component of a joint United Nations programme provided seed capital to 22 local governments. In Guinea and Senegal, independent technical reviews demonstrated the role of local governments in local economic development. In Senegal, this will be pursued through the local finance initiative instrument and in Guinea, negotiations are ongoing with a mining company to finance a local development finance programme that will focus on economic development.

24. During 2013, there were a number of evaluations of local development finance programmes. In response to an evaluation of the programme in Liberia, the local finance initiative instrument will help to ensure that private sector promotion is within a sustainable context. An evaluation of the Gender Equitable Local Development (GELD) programme highlighted the positive benefits of a gender lens to local development finance that will be taken forward in the Inclusive and Equitable Local Development (IELD) programme approved in early 2014. Through GELD and now IELD, UNCDF has developed tools that will be applied to support other groups such as youth to promote their role in local economic development and governance. In 2013, UNCDF continued to implement its partnership with the International Centre of Local Democracy, with 29 participants from five countries taking part in the second round of the programme.

25. Table 1 indicates that the number of supported local governments increased in 2013, due to the ongoing up-scaling process of local development financing (Bangladesh, Lao People's Democratic Republic, Somalia) and to support to national mechanism for climate resilience through LoCAL in Bhutan and Cambodia. It appears that the supported local governments' planning and budgeting of investments improved, together with their transparency and accountability.

Table 1.

Outcome indicators	Plan	Actual	Performance*
1. Number of local governments supported that are consulting local communities in finalizing investment plans and budgets	1,232	984	+
2. Number of local governments supported where budgets are disbursed in line with the priorities of the plans	1,172	938	+
3. Number of local governments supported that use national public procurement standards and regular external audits while managing resources (accountability)	5,639	5,550	+
4. Number of local governments supported that publicize their expenditure against their budget (transparency)	1,097	755	+/-
5. Number of local governments supported that apply a gender perspective to planning and budgeting	1,204	1,111	+
6. Number of local governments supported where 'genderized' budgets and investments are implemented	818	786	+

*Performance assessment scores: Achieved (+) = 75-100%; Partially achieved (+/-) = 50-75%; Not satisfactory (-) = < 50%

26. Outcome indicator 3 in Table 1 illustrates the effect of the performance-based grant systems in countries where the role of UNCDF is to provide technical assistance to national systems – but not necessarily a direct engagement with each local government, as in Bangladesh and Nepal. It also indicates the growth of the performance-based climate resilience grants under the LoCAL project.

27. During 2013, work began on a new set of indicators that will be used from 2014 to report on the business plan for the local development financing programme which accompanies the Strategic Framework presented to the Executive Board at the first regular session of 2014. These indicators will register progress against the new approach to local development finance that takes effect with the Strategic Framework.

28. Table 2 shows that replication at national level has been a key element of UNCDF support and remains a large part of the value proposition of UNCDF to the LDCs. In addition to this national-level policy impact, UNCDF actively advocated at global level for a more prominent role of local governments and for better funded local development responses to global challenges. During 2013, UNCDF implemented its partnership with United Cities and Local Governments of Africa and participated in forums such as the Fourth Congress of the United Cities and Local Governments, the Second World Forum on Local Economic Development and the Development Partners Working Group on Decentralisation and Local Governance. There was also continued engagement with Local Governments for Sustainability on environmentally sustainable local government and with The Hague Academy of International Law, which UNCDF has a Memorandum of Understanding for curricula development on local development finance and fiscal decentralization, in particular in post-conflict environments.

Table 2.

Outcome indicators	Plan	Actual	Performance
7. Number of countries where changes in policy, regulations and legislation can be attributed directly to UNCDF work	**13**	**10**	+
8. Number of countries in which UNCDF approaches, models or tools are adopted by national Governments and development partners	**19**	**15**	+

B. Financial services for the poor

29. Key developments in UNCDF support to financial inclusion in 2013 included the successful launch of the new country-level inclusive finance diagnostic and programming tool called "Making Access To Finance Possible" – or MAP – with multi-donor support in a number of countries. MAP encompasses a comprehensive analysis of existing obstacles to financial inclusion at the country level, followed by a road map towards financial inclusion for all stakeholders and development partners to own and join. The demand for the application of MAP methodology has been strong. MAP processes are currently underway in Côte d'Ivoire, Democratic Republic of the Congo, Lesotho, Lesotho, Malawi, Mozambique and Swaziland. These countries are at various stages of active implementation and the initial pilots have contributed towards formalizing the toolkits. Secondly, the UNCDF global thematic initiatives (MicroLead, YouthStart, Mobile Money for the Poor, CleanStart and the Better Than Cash Alliance) are all gaining significant traction and increasing synergy with country sector programmes. In response to evaluation recommendations and to better capture the synergy between these global thematic programmes and country programming, UNCDF is developing country frameworks that articulate how the various programming initiatives complement each other at country level. Finally, in response to the portfolio review, SmartAid recommendations and evaluations, UNCDF continued to make improvements to its operational systems. Ninety-four percent of the recommendations from the portfolio review are now complete.

30. UNCDF participated for the fourth time in the Consultative Group to Assist the Poor SmartAid[2] assessment, receiving a score of 84 out of 100, meaning that overall it has "very good" systems in place to support microfinance. This represents an increase over its 2011 score, demonstrating the commitment of UNCDF to continued high achievement. In 2013, UNCDF received a score of 4.0 or higher (on a scale from 0 to 5) on all nine indicators. Its score on project identification system, performance indicators, performance-based agreements and portfolio reviews (indicators 4, 5, 6, and 7) were the highest amongst all SmartAid participants to date, placing UNCDF in the top two of all agencies scored by SmartAid since its inception.

31. Increased levels of financial inclusion – through improved access by poor people to savings, credit, insurance and payment services – contribute to sustainable economic growth. A positive correlation has also been found between increased financial inclusion and reduced inequality, demonstrating that financial inclusion promotes "pro-poor" growth.3

32. At the household level, access to financial services helps poor families and small businesses to better manage irregular income, overcome shocks and take advantage of

[2] See http://www.cgap.org/site-search/smart*%20aid

[3] See *Finance for All? Policies and Pitfalls in Expanding Access*, World Bank, 2007, http://www.worldbank.org/financeforall and *Finance, Inequality and Poverty: Cross-Country Evidence*, June 2004, http://www.microfinancegateway.org/gm/document-1.9.26326/22082_Finance_Inequality.pdf

economic opportunities. It also offers an alternative to costly and often more risky informal financial schemes. When provided responsibly, microfinance can be a powerful catalyst for entrepreneurship and for women's economic and social empowerment. Although access to credit is important, access to secure and flexible saving services can also transform the economic lives of poor people by helping them to build assets over time.

33. UNCDF defines financial inclusion as universal access of individuals and enterprises to a wide range of financial services provided responsibly and at a reasonable cost by diverse and sustainable institutions in a well-regulated environment.

34. UNCDF delivers support through country sector development programmes, global programmes and advocacy. Country programmes are tailored to the needs of individual countries based on a country diagnostic and include support at the macro level (policy, legal and regulatory framework), the financial infrastructure level (e.g., associations of retail providers, training institutes) and at the retail level by financial service providers (FSPs)[4]. UNCDF support incorporates the new drivers of financial inclusion, especially government payments (e.g., government-to-person), innovative distribution channels (agent banking) and technology (mobile money). Global programmes are designed to complement country programmes by promoting innovations that expand the frontiers of financial inclusion by linking microfinance to specific development results and needs, for example by enabling access to clean energy at household and micro-enterprise levels; promoting youth savings and financial literacy; and exploring mobile money solutions to help LDCs leap-frog innovations to support financial inclusion. UNCDF is also helping to scale up access to financial services through South-South cooperation in regions and countries where financial inclusion remains a particularly difficult challenge.

35. In 2013, UNCDF supported inclusive finance programming in 26 LDCs (18 in sub-Saharan Africa and 8 in Asia). UNCDF supported nine of the 26 countries through global or regional initiatives. Eight countries currently being supported are in post-conflict situations. The number of countries supported via country sector programmes decreased by one, as the lack of core resources constrained the ability to expand country programmes.

Table 3. Improved access to financial services (number of active clients)

Year	2004	2005	2006	2007	2008
Number of clients	379,018	438,272	616,035	1,171,306	1,768,931

Year	2009	2010	2011	2012	2013
Number of clients	2,550,565	3,511,723	4,062,161	8,439,905	8,927,869

36. In 2013 UNCDF surpassed its goal of serving 6 million active clients by 2013 through the FSPs in which it invests. As households comprise five persons on average, this represents an impact on the lives of some 44 million people. The number of 8,927,869 active clients is based on the number of active savers; the number of borrowers is much lower at 1,301,827. Since 2009, UNCDF has focused on supporting savings-led FSPs, given the dual benefit of FSPs using local sources to fund growth and positive findings from client impact studies on the benefits of savings. Fifty-two per cent of borrowers are women (slightly above the UNCDF threshold of 50 per cent).

[4] Microfinance institutions, commercial banks, financial cooperatives, non-governmental organizations, money transfer companies.

Table 4.

Outcome indicators	Plan	Actual	Performance
1. Extent to which FSPs are improving their client outreach	6,030,081	8,927,869	+
2. Net change in value of loan portfolio of the FSP versus total UNCDF core contributions	20 to 1	36 to 1	+
3. Net change in value of savings portfolio of the FSP versus total UNCDF core contributions	20 to 1	32 to 1	+

37. The continued growth in outreach in 2013 (indicator 1) came primarily from Southern and Eastern Africa and West Africa, with significant contributions within these regions coming from investments by global thematic initiatives (e.g., YouthStart, and MicroLead).

38. UNCDF provided support to 112 FSPs in 2013, allowing FSPs to increase the value of their loan and savings portfolios significantly more than anticipated (indicators 2 and 3). This strong leverage is consistent with the findings from the portfolio review. As this is the final report responding to the targets UNCDF set out to achieve in the corporate management plan 2010-2013, it is important to note that there is solid evidence that UNCDF succeeded in achieving the targets to strengthen the capacities of FSPs in 25 LDCs to provide pro-poor products and services that will leverage at least 10 times the UNCDF original core investments by 2013. The portfolio review found that even by 2011, UNCDF had significantly exceeded this target, stating that overall, the outreach leverage at June 2011 was 17.2 to 1 for the loan portfolio for UNCDF core funds. The outreach leverage of deposits mobilized was 19 to 1, for UNCDF core funds[5].

39. The portfolio review also concluded that in expanding its support to rural areas, UNCDF had met its objectives of leveraging funding and mobilizing domestic savings, finding that more funded FSPs had increased their ability to more sustainably finance operations by accessing domestic savings. The number of funded FSPs that were mobilizing savings had increased from 74 at baseline to 82 (88 per cent of portfolio) by June 2011. These portfolio FSPs had also grown their deposits dramatically over time.

40. The overall sustainability of the FSPs in which UNCDF invests is captured in indicators focusing on profitability, portfolio quality and transparency (indicators 4 through 6).

Table 5. Sustainability of FSPs

Outcome indicators	Plan	Actual	Performance
4. Extent to which FSPs are improving their sustainability (profitability)	80%	70%	±
5. Extent to which FSPs are improving their portfolio quality	80%	56%	±
6. FSPs have audited financial statements (transparency)	>95%	82%	+

41. In 2013, 70 per cent of the FSPs supported by UNCDF improved profitability and 56 per cent met portfolio quality targets. This will be key to the ability of FSPs to continue to scale up their services when UNCDF support ends.

[5] See UNCDF FIPA Portfolio Review Synthesis Report, February 2013, page vii and 55.
http://www.uncdf.org/sites/default/files/Documents/FIPA%20Portfolio%20Review_0213_ENG.pdf

42. Portfolio quality is measured against the standard (less than 5 per cent of portfolio at risk). Performance against this indicator decreased from 65 per cent of FSPs in 2012 meeting targets to 56 per cent in 2013. Stronger performance in 2012 had been driven by the Nepalese FSPs (95 per cent meeting targets), and as funding agreements were completed by mid-2013, performance against this indicator was not reported. Poor portfolio quality was concentrated in Africa (50 per cent of target in East Africa, only 33 per cent of target in West Africa). External factors included recently introduced regulations in the West African Economic and Monetary Union that now allow FSPs to keep non-performing loans in their portfolio for a maximum of two years, as opposed to one year in the past, before the required write-off.

43. Eighty-two per cent of UNCDF-supported FSPs had external audits in 2013, with funding suspended for those failing to comply. UNCDF will continue to suspend non-performing FSPs, and to terminate funding for FSPs not redressing performance.

Table 6. Policy and institutional environment

Outcome indicators	Plan	Actual	Performance*
7. Extent to which national policy environment is improved for client protection	90%	25%	-
8. Ability of networks and associations to provide advocacy on client protection to FSPs	80%	46%	-
9. Extent to which FSPs are engaged in client protection	80%	84%	+
10. Extent to which donors support UNCDF financial systems approach	65%	56%	+-

*Performance assessment scores: Achieved (+)=75-100%; Partially achieved (+/-)=50-75%; Not satisfactory (-)=< 50%

44. For UNCDF, inclusive finance must be responsible finance. To this end, UNCDF engages at policy, industry and provider levels. In 2013, UNCDF expanded its contribution to disseminating the client protection principles (CPP) of the Smart Campaign. In 2010, UNCDF began to implement the CPPs in an effort to achieve endorsement of the CPPs by 80 per cent of FSPs by 2013. In three years, UNCDF has made significant progress in a short time frame. The percentage of FSPs endorsing the principles increased from 47 per cent in 2012 to 84 per cent in 2013, thus exceeding the target.

45. The strategy of engaging with policymakers and FSP networks in 2011 and 2012 has translated into strong FSP endorsements in 2013. The policy and network activities were complemented by UNCDF revising (late 2010) its standard performance-based agreement to strongly encourage all FSPs to endorse the CPPs. Although activities at the policy level (indicator 7) and network level (indicator 8) both declined in 2013 (from 82 per cent and 95 per cent in 2012, respectively) earlier positive investments in activities at the policy and network level clearly carried over to achieve the key result – FSP endorsement – that was still achieved.

46. UNCDF will review the experience from combining country-level activities and direct engagement with FSPs as it develops the strategy for the next phase of the

CPPs, moving from endorsement to implementation and certification. One clear lesson is that policy- or network-level activities are not necessary every year, although early investments can carry over into subsequent years. UNCDF is also playing an active role in developing principles for responsible digital finance to ensure that clients accessing financial services provided via new digital channels are also protected.

47. UNCDF works with development partners to align its support and programming with national priorities. Country-level investment committees review new initiatives, coordinate and, in some instances, pool country-level funding. These initiatives provided $181 million in funding for UNCDF-designed programmes to complement and leverage (6.6 times) the UNCDF core resources, and thus contributed significantly to the results highlighted in this report. In 2013, 56 per cent of donors active in inclusive finance at the country level participated in UNCDF-organized investment committees (indicator 10), a slight increase compared to 47 per cent in 2012.

III. Management results, 2013

48. Following the appointment of a new Executive Secretary in November 2012, several managerial positions were filled at headquarters and at the regional level. During the year, specific attention was given to increasing the interaction with the Executive Board and other key stakeholders through regular Stakeholder Consultations geared towards focusing attention on the UNCDF comparative advantage, performance and positioning within the multilateral development cooperation architecture; and the fact that the annual core budget has remained below the minimum level UNCDF requires to deploy its technical presence in 40 LDCs. At the same time, UNCDF management focused on the expansion of the organization's capital mandate to help leverage new sources of capital investment for the LDCs.

Table 7.

Perspective	Strategic objective	Indicator	2012 Result	2013 Results
Client satisfaction	Relevant programming on LDCs, including post-conflict	LDCs with UNCDF programmes	37 LDCs	32 LDCs
Internal efficiency	Improve efficiency of delivery	Administrative-to-total-expenditure ratio	9.1%	15.3%*
	Staff perception	Percentage of staff that feels inspired to work at their best	62%	66%
	Implementation of the audit recommendations of the Office of Audit and Investigation		24/25	25/25
	Implementation of the audit recommendations of the UNBOA		Implemented	2/4
Financial resources	Achieve resource mobilization targets	Regular resources mobilized	$15.8 million	$ 16.3million
	Ensure delivery against plan	Other resources mobilized	$39.6 million	$ 49.1 million
		Delivery against approved annual spending limits	81%	85%

*As mentioned in the 2012 annual report on results, the 9.1 per cent ratio was understated due to a drop in the biennial support budget allocated by UNDP. Since then, UNCDF has worked on a revised cost classification for a better attribution of its costs. The 2013 ratio is an accurate reflection of UNCDF efficiency ratio.

49. As mentioned in the 2012 annual report on results (DP 2013/33), the efficiency ratio of 9.1 per cent was understated, due to a drop in the biennial support budget allocated by UNDP. In 2013, UNCDF has worked on a revised cost classification for a better attribution of its costs and the efficiency ratio of 15.3 per cent reflects this.

50. In accordance with the adoption of the new International Public Sector Accounting Standards (IPSAS), for the first time UNCDF published its audited financial statements separately from those of UNDP.

51. The last outstanding recommendation of the 2009 comprehensive audit by the Office of Audit and Investigations (OAI) was implemented, bringing UNCDF in full compliance with the OAI recommendations.

IV. Partnerships and advocacy

52. The ambition of UNCDF to step up its advocacy work resulted in a number of major events and initiatives during the year. At the 2013 European Development Days, UNCDF was selected to arrange two events, a high-level panel on social protection and links to electronic payments, and a technical workshop on mobile money. This is a result of a more active collaboration between UNCDF and the European Commission on issues of joint interest.

53. In conjunction with the Conference of Parties in Warsaw (see paragraph 15 above), UNCDF and the Government of Poland, which held the Conference presidency, organized a side event on localizing climate finance during which UNCDF presented the LoCAL facility. UNCDF also presented LoCAL at the Global Forum on Using Country Systems to Manage Climate Finance, coinciding with the opening of the Green Climate Fund secretariat headquarters in Incheon, Republic of Korea in December 2013.

54. Other advocacy efforts during the year included an event organized in conjunction with the opening of the General Assembly, entitled "Partnerships for Digital Financial Inclusion: A Driver of Inclusive Growth" co-organized by the Better than Cash Alliance, UNCDF and UNDP. High-level participants included of Queen Máxima of the Netherlands in her capacity as the Secretary-General's Special Advocate for Inclusive Finance for Development, UNDP Administrator Helen Clark, and Mr. Bill Gates, co-chair of the Bill & Melinda Gates Foundation. The Better than Cash Alliance is emerging as a key platform for supporting a critical driver of financial inclusion, the transition from cash to electronic payments. UNCDF staff also participated in events such as the second annual Child and Youth Finance Summit and Awards Ceremony, held 7-9 May in Istanbul, and the Alliance for Financial Inclusion Global Policy Forum, held 10-12 September in Kuala Lumpur.

55. Strategic communications can be a vital tool for international development. Effective communications can help UNCDF to achieve both its development and its business objectives, globally, regionally and at the country level. In 2013, UNCDF pursued two main strategic objectives in terms of communications. Firstly, through the introduction of new networks and tools, it aimed to strengthen internal communications in support of corporate initiatives, because staff understanding, buy-in and active support of initiatives come through effective top-down, bottom-up and peer-to-peer communication.

56. Secondly, UNCDF aimed to strengthen external communications through web-based tools, events, publications and social media initiatives that targeted its primary audiences and supported its strategic objectives of increasing visibility and resource mobilization efforts.

57. This included the launch of a new corporate website www.uncdf.org and its mobile version, both of which include a new section on partnerships. Reflecting the new multi-stakeholder approach on this new website gives proper visibility to the development partners UNCDF works with.

58. Social media is another component of the strategy. Stakeholders are now able to follow UNCDF on Twitter, Facebook and YouTube for the latest updates. Going forward, UNCDF will be extending its global outreach to inclusive finance and local development practitioners with the inclusion of new social media sharing tools and a better integration of multimedia products that showcase its work around the globe.

V. Quality assurance

59. In 2013, UNCDF maintained its commitment to strengthening its accountability and reporting mechanisms with the development of the new Strategic Framework 2014-2017 and its accompanying integrated results and resources framework (IRRF). The IRRF includes a series of measurable expected results that will allow UNCDF and stakeholders to monitor and evaluate achievements, learn lessons and hold the organization accountable for the funds received.

60. In addition, evaluation has continued to be a priority in UNCDF, with a separate evaluation function reporting directly to the Executive Secretary performing a dual function of: (a) overseeing programme and project evaluations; and (b) supporting programme colleagues to develop an integrated measurement system that combines external evaluation, self-evaluation techniques such as programme reviews, and results-focused programme design and monitoring.

61. UNCDF completed three evaluations in 2013: (a) a midterm evaluation of the YouthStart programme, which focuses on helping microfinance institutions to design and deliver financial services for young people; (b) a final evaluation of the GELD programme, implemented jointly with United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), which focused on increasing access by women to local government services in five countries in Africa; and (c) a final evaluation of a decentralization and local development programme intended to pilot a district development fund mechanism in Liberia.

62. The evaluation of YouthStart found the programme to be well on track to meeting its target of 200,000 young savers via support to 10 FSPs working in eight LDCs in Africa. Through its mix of grants and technical assistance, the programme has started to build a case that combining accessible and appropriate financial products, mostly in the form of saving accounts, with appropriate financial education can improve financial capability and support positive economic outcomes among young people in Africa. The evaluation also highlighted difficulties by FSPs in attracting and providing services to young women and girls and the need to make better use of the UNDP and UNCDF network in Africa to more effectively reach out to regional and national-level stakeholders.

63. The GELD programme was judged to be highly relevant to the needs of partner countries, working best in countries where there was strong collaboration with ongoing gender-responsive budgeting programmes such as Mozambique and Rwanda. The programme was judged to be less successful in instituting real change in gender-responsive budgeting at the local level in part because of the more centralized nature of budgeting in the targeted countries. The evaluators also flagged challenges in programme implementation and oversight arising from a complex management structure and weaknesses in knowledge management and poor data collection and monitoring, which undermined the programme's efforts to generate and communicate its results to broader stakeholders.

64. Finally, the evaluation of the local development project in Liberia concluded that despite some positive results in introducing communities to participatory planning, the project represented a missed opportunity for UNCDF to help lay the foundations of a more effective system of decentralized infrastructure and service delivery at the local level in Liberia.

65. UNCDF takes seriously the results of its evaluations – both positive and negative – and through its management response system regularly monitors the commitments made to improve strategy and programme implementation. By the end of 2013, 12 projects were still in the process of implementing key actions arising from the recommendations of external evaluations.

66. An example of changes introduced since the finalization of an evaluation comes from the external portfolio review of the UNCDF inclusive finance practice area, which was approved in late 2012. The accompanying management response included 50 agreed key actions such as: (a) improvements in performance-based agreements with partner FSPs to better document the results and impact of UNCDF investments; (b) updates to the UNCDF loan policy to improve policies, procedures and monitoring systems and provide clearer guidance on the UNCDF disengagement strategy; and (c) changes to hiring practices leading to reductions in the time it takes to hire staff following programme approval. Progress in implementing these changes is ahead of schedule.

VI. Financial analysis

67. In 2013, due mainly to increasing non-core contributions, total UNCDF revenue reached $65.4 million, up from $55.5 million in 2012. The number of donors to UNCDF remained at the high level of 36, up from 29 in 2010. Contributions to UNCDF in 2013 included $12.35 million from seven major private sector foundations and corporations, representing 19 per cent of total income. The eight largest donors to UNCDF in 2013 were: One UN Funds (multi-donor); Sweden; the MasterCard Foundation; Australia; Belgium; Bill & Melinda Gates Foundation; Luxembourg; and the European Commission.

68. Non-core resources reached a record high of $49.1 million in 2013, an increase of 24 per cent from 2012. Non-core resources have increased more than 300 per cent over the past seven years and are expected to continue to grow in 2014, based on signed commitments. Core resources reached some $16.3 million in 2013, a slight increase over 2012 mainly due to a first-time contribution from Switzerland, yet still falling well short of the estimated $25 million minimum threshold level required to sustain UNCDF operations in 40 LDCs.

69. As foreseen in previous reports to the Executive Board and as discussed during the Stakeholder Consultations, the lack of significant increase in core resources has forced UNCDF in 2013 to take drastic steps to switch the cost of its technical infrastructure to non-core funding and reduce the amounts available to deploy its investment mandate in the LDCs. During the Stakeholder Consultations, a number of key donors indicated their interest in exploring opportunities to increase or start contributing to UNCDF core resources as applicable. Although it is eager to extend its services to all LDCs, given the constraints on the core budget UNCEF remains optimistic that it will be able to continue its operations in at least 32 LDCs, while continuing to leverage substantive amounts of non-core resources from private and public sources for the benefit of the LDCs.

70. Total expenditures in 2013 were $62.9 million, 13 per cent higher than in 2012 ($55.6 million). Expenditures against regular resources decreased by 24 per cent to $18.1 million while expenditures against other resources increased by 42 per cent. UNCDF continues to monitor its long-term financial stability very carefully, investing its limited core resources strategically in initiatives that will maximize development results and attract significant non-core resources.

71. Fund balances at the end of 2013 were $69.7 million. UNCDF has made provisions for after-service health insurance as required by IPSAS and recalculated its operational core reserve to $12.6 million. The extrabudgetary reserve is at $2 million.

Table 8. Expenditure trends, 2006-2013 (in millions of United States dollars)

Expenditures	2006	2007	2008	2009	2010	2011	2012	2013
Programme expenditures	25.2	28.7	37.0	41.5	43.9	53.7	48.6	54.55
- of which regular resources*	16.8	19.0	22.6	22.2	25.0	29.4	23.6	15.11
- of which other resources	8.4	9.7	14.4	19.3	18.2	24.4	25.0	39.45
UNCDF support**	4.6	5.4	6.8	7.6	5.5	6.2	5.0	8.36
Total	29.8	34.1	43.8	49.1	49.3	59.9	53.6	62.92

* Figures include UNCDF expenditures against UNDP programme contributions ($257,000 in 2013)

**Figures include UNCDF expenditures against the UNDP biennial support budget ($3.55 million in 2013.

72. In 2013, 59 per cent per cent of country expenditures were in Africa (see table 9), followed by Asia and the Pacific at 39 per cent. Sixty-four per cent of programme expenditures are delivered through country programmes and UNCDF global thematic initiatives accounted for the remaining 36 per cent.

Table 9. Programme expenditures in 2013, by region and practice*
(in millions of United States dollars)

Regions/themes	Local development	Microfinance	Total
Africa	12.92	19.66	32.58
Asia and Pacific	9.19	12.57	21.76
Arab States	0.18		0.18
Latin America	0.03		0.03
Total	22.32	32.23	54.55

Source: Financial statements for UNCDF as of 31 December 2013 before final closing of accounts.
*The distribution of global programme expenditures between regions are estimations based on the size of country programmes.

VII. UNCDF looking forward

73. As articulated in the 2014-2017 Strategic Framework presented to the Executive Board at the first regular session of 2014, in the years to come UNCDF will realize the full potential of its financial mandate and flexible financial instruments to help eradicate poverty, reduce inequalities and promote inclusive and sustainable growth. In doing so, UNCDF will contribute to three major development objectives: (a) increase financing for basic services and sustainable, inclusive growth; (b) establish financing mechanisms to increase resilience to economic and environmental shocks; and (c) foster policy environments conducive to sustainable financing for sustainable development.

74. Innovation in support of the programme areas is to be expected on two fronts: (a) through a more deliberate use of the UNDP flexible capital mandate and adapted financial instruments; and (b) in applying ICT – the infrastructure of the twenty-first century – as an effective enabler and accelerator of development.

75. UNCDF will make efforts to generate new, additional streams of financing for development, in line with the current discussions on means of implementation and financing for development in the framework of the post-2015 development agenda.

76. In particular, UNCDF will promote the establishment of an investment fund, thus taking into account the new sources of financing for investment in development that are becoming available in the private sector, most notably in the impact investing industry. UNCDF will explore opportunities with institutional and impact investors that share with it the double concern for economically viable projects that have a reasonable financial return and well-documented social and/or environmental impacts.

77. Moving forward, UNCDF will continue to emphasize strongly the quality of its programming, transparency and accountability for results at various levels in the organization. In keeping with its financial mandate and the need to increase diversified sources of investment capital to the LDCs, UNCDF will strengthen its internal capacity in investment finance and public finance through retraining and strategic in-take of staff with new profiles. The functions in the organization will be reviewed to maximize effectiveness and efficiency, with special focus on regional and country levels where development results are achieved.

78. The use of ICT will be explored, inter alia, to contribute to effective local development by enabling real-time public financial management of scarce resources and by linking local businesses to internet-based services. New and innovative technologies will also be used in order to reduce costs and maximize sharing of information between the three levels of the organization, and to strengthen external communication to better disseminate results and maximize synergies and complementarities of action with organizations working in the same sphere of development.

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United Nations Volunteers
Report of the Administrator

Summary

This report presents an overview of results achieved by the United Nations Volunteers (UNV) programme during the 2012-2013 biennium in support of programme countries and United Nations entities in their peace and development efforts. It also outlines challenges and opportunities for UNV in the coming biennium, in the context of the new UNV strategic framework, 2014-2017.

The structure of this report is consistent with the most recent biennial reports to the Executive Board, using the UNV results framework and business model applicable during 2012-2013. Statistical annexes on (a) UN Volunteers, (b) a financial overview, and (c) the strategic framework and integrated results and resources matrix, 2014-2017, are posted on the Executive Board website. This report may be read in conjunction with the UNV annual reports for 2012 and 2013, which highlight specific elements of UNV results.

Elements of a decision

The Executive Board may wish to: (a) take note of the report of the Administrator; (b) commend UNV for the successful development and launch of its strategic framework and integrated results and resources matrix, 2014-2017; (c) note that future reports of the Administrator will be structured using the new results framework; (d) express appreciation for the outstanding contribution that UN Volunteers, including UN Online Volunteers, mobilized by UNV, make to peace and to the development achievements of programme countries and United Nations partners; (e) encourage UNV to develop new forward-looking and innovative approaches to integrating volunteerism into programmes and initiatives, including those involving South-South cooperation; (f) request that Member States and United Nations entities develop strong partnerships with UNV to ensure that the five priority areas lead to a stronger integration of volunteerism in their development programming; (g) acknowledge and support the ongoing work of UNV in its Global Youth Programme, and call on Member States and United Nations entities to provide opportunities and relevant policy infrastructure for youth volunteerism; (h) commend UNV for its active and successful engagement in the Rio+20 process, and encourage UNV to continue to contribute to the development and implementation of the post-2015 development agenda; (i) welcome the Special Voluntary Fund report, 2009-2013, presented by UNV, agree to expand the mandate of the Special Voluntary Fund as outlined in the report, and call on Member States to increase funding to the Special Voluntary Fund; (j) commend UNV for its efforts to bolster operational effectiveness and efficiency, as outlined in the new strategic framework; and (k) call upon UNDP to continue to provide to UNV all necessary programmatic, administrative, financial and legal support to deliver on its mandate.

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Contents

Chapter		*Pages*
I.	Introduction	3
II.	Programme results	4
	A. Global recognition of volunteerism for peace and development	4
	B. Integration of volunteerism into peace and development	6
	C. Mobilization of volunteers contributing to peace and development	7
III.	Management results	13
IV.	Challenges and opportunities	15
V.	Annexes (available on the Executive Board website)	
	1. Statistical overview of UN Volunteers	
	2. Financial overview of UNV	
	3. UNV strategic framework and integrated results and resources matrix, 2014-2017	

I. Introduction

1. This report highlights the achievements and results of the UNV programme during the period 2012-2013 and outlines how UNV is aligning itself with the strategic framework, 2014-2017. It follows the structure of other recent biennial reports to the Executive Board. UNV programme outcomes are articulated using the results framework and business model applicable during 2012-2013, as approved by the Executive Board in its decision 2006/18. Key results are reported in three major categories: (a) global recognition of volunteerism for peace and development; (b) integration of volunteerism into peace and development programmes; and (c) mobilization of increasing numbers and diversity of volunteers contributing to peace and development. Organizational support functions are described in the management results chapter.

2. The years 2012-2013 were significant for the international development agenda in charting the future course for sustainable development. As middle-income countries and emerging economies increasingly stepped forward to play a more active role in this field, the South-South cooperation dialogue intensified. The deadline for achieving the Millennium Development Goals is rapidly approaching and the post-2015 agenda is emerging. The United Nations Conference on Sustainable Development (Rio+20) promoted a stronger focus on integrating the three dimensions of sustainable development. Citizen engagement is moving to the fore, accompanied by a worldwide reassessment of the role of youth as actors in sustainable development. Against this backdrop, the contribution of volunteers and volunteerism – and hence of UNV – is more relevant than ever.

3. For UNV, 2012-2013 was a time of repositioning, reflection, partner engagement, consolidation and transformation for the future. The key results of the biennium were: increased acknowledgement of volunteers and volunteerism as powerful resources and vital components of sustainable development; further mobilization of UN Volunteers for the delivery of peace and development results; and the enhancement or forging of traditional and new partnerships within and outside the United Nations system. Volunteerism was a key element of the post-2015 discourse. Institutionally, in 2013, UNV responded to Executive Board decision 2012/13, by providing an analysis of its history, reflecting on how its evolution has affected its operations and how these together could and should shape its future. This analysis, as well as various reviews, evaluation processes, and numerous stakeholder engagements, led to greater self-awareness, realization of strengths and shortcomings, and greater cooperation and organizational efficiency. This set the stage for reorientation and institutional change, as reflected in the strategic framework, 2014-2017.

4. The total value of services provided by UNV – directly and through United Nations organizations and entities, including the United Nations Department of Field Support – decreased by 9 per cent to $431 million in the biennium. Annex 2 provides a financial overview of UNV, which complements the financial, budgetary and management reports of the UNDP Administrator.

5. Donor contributions for UNV direct programme activities increased by 3 per cent to $39.8 million in 2012-2013, from $38.8 million in 2010-2011. That growth is attributable to the fact that more development partners made possible the deployment of more fully-funded UN Volunteers. However, contributions to the Special Voluntary Fund, which is critical for continued advocacy and innovation in volunteerism, were 6 per cent lower than in the previous biennium.

II. Programme results

6. UNV stepped up its efforts to underline the importance of volunteerism as a strategic element contributing to development and peace. The organization made further progress in integrating the concept of volunteerism into the institutional, legal, and policy frameworks governing action for peace and sustainable development at the national, regional and global levels. Mobilization of UN Volunteers for peace and development activities was continued, although in this biennium, challenges in the development landscape have led to a reduction in the number of UN Volunteers deployed. It should, however, be noted that peaks in previous biennia were event-defined. The gradual decline is related to a number of factors, including the close-down of a large peacekeeping mission (United Nations Integrated Mission in Timor-Leste), the close-down of large one-off electoral support missions and continued 'right sizing' exercises in a number of others, as well as deployment challenges due to security and absorption capacity.

A. Global recognition of volunteerism for peace and development

7. UNV contributed notably to the global recognition of volunteerism for peace and development. Highlights include the follow-up activities to the 2011 celebration of the Tenth Anniversary of the International Year of Volunteers (IYV+10), UNV achievements in connection with Rio+20, and the ongoing post-2015 activities. UNV leveraged the momentum and mobilization achieved by IYV+10 and its follow-up to connect with the preparatory process for the Rio+20 Conference. This galvanized the volunteer constituency to support further awareness-building concerning the role of volunteerism in sustainable development at the national, regional and global levels, which facilitated connecting volunteerism to the post-2015 debates. The integration of volunteering-related language in numerous key global documents, and the adoption of national legislation on volunteering and national volunteer action plans in a number of countries, testify to the capacity of UNV to inform and support volunteering policy change.

Key result 1.1. Status of volunteerism and its contribution to development is documented and shared

8. The follow-up to the tenth anniversary of the International Year of Volunteers (IYV+10) focused on taking the multiple partnerships developed in that context beyond the actual campaign. The aim was to promote the integration of volunteering as a concept – and of volunteer groups as actors – in the discussions related to the Rio+20 agenda, the post-2015 development process, and achievement of the Millennium Development Goals. Following the 64th United Nations DPI/NGO Conference on Sustainable Societies 'Responsive Citizens', co-hosted by the Department of Public Information and UNV in September 2011, the Bonn declaration was formally approved as a General Assembly document (A/66/750).

9. In the context of Rio+20, UNV facilitated policy support for volunteerism and increased recognition of the contribution that volunteerism, volunteer-involving organizations and civil society are making to the development agenda throughout the United Nations system. In the run-up to the Rio+20 conference, UNV leveraged its membership in various United Nations bodies to make the voice of volunteerism heard and to re-establish or strengthen relationships with United Nations partners. Within the framework of the 'Volunteer Action Counts' campaign, one of the Rio+20 projects, more than 64 million volunteer actions were counted. The Secretary-General and the UNDP Administrator both made reference to the campaign, with the Secretary-General referring to it in his report to the General Assembly. UNV informed and supported a coalition of civil society partners and government champions that succeeded in including "volunteer groups" as a constituency that should actively participate in processes that contribute to decision-

making, planning and implementation of policies and programmes for sustainable development at all levels.

10. References to the important contribution of volunteerism and UNV were made in a number of other international documents with direct implications for strategies and programming. Examples include General Assembly resolutions on integrating volunteering in the next decade (A/RES/67/138); participation of volunteers, "White Helmets", in the activities of the United Nations in the field of humanitarian relief, rehabilitation and technical cooperation for development (A/RES/67/84); format and organizational aspects of the high-level political forum (A/RES/67/290); and resolutions of the Economic and Social Council on strengthening of the coordination of emergency humanitarian assistance of the United Nations (E/2012/L.11 and E/2013/L.20); the Commission on Population and Development resolution 2012/1 on adolescents and youth (E/2012/25-E/CN.9/2012/8) and policies and programmes involving youth (E/2013/26). The report of the Secretary-General, "A life of dignity for all: accelerating progress towards the Millennium Development Goals and advancing the United Nations development agenda beyond 2015", also emphasizes the added value of volunteerism as a key factor in attaining the Goals and furthering sustainable development. UNV is responding to the call of the General Assembly to submit in 2015 a "plan of action to integrate volunteering in peace and development in the next decade and beyond" (resolution 67/138).

11. Greater awareness of the role of volunteerism in development was generated by the follow-up activities to the December 2011 launch of the State of the World's Volunteerism Report in some 80 locations around the world. These activities included high-level launches in Algeria, Burundi, Côte d'Ivoire, Guinea, Haiti and Israel, as well as launches in a further 28 countries, including Botswana, Lesotho, Namibia, Swaziland and Zimbabwe. In order to enhance and broaden the dialogue on volunteerism and its contribution to sustainable development, UNV made the report and its findings available to a wide constituency in countries of the global South. A global launch of the Arabic version took place in Qatar in May 2012, a Mandarin version was launched in Beijing on International Volunteer Day 2013, and a Thai version was produced with the support of the Government of Thailand.

Key result 1.2. Partnerships to promote volunteerism for development built and strengthened with and among UNV key stakeholders

12. To build new partnerships and support the United Nations system in delivering on its mandate to promote sustainable development in countries of the global South, UNV intensified new and long-standing contacts with 19 United Nations entities. Memoranda of understanding have been signed with the United Nations Office on Drugs and Crime, UN-Habitat, UNFPA and the United Nations Environment Programme, establishing a strong legal footing for UN Volunteers working under the aegis of other United Nations entities. Numerous new partnerships were forged with government organizations as well as with global and national volunteer-involving organizations, including a ground-breaking partnership with the Arab Federation for Voluntary Activities, under the patronage of the League of Arab States, which will open up new possibilities for promoting the value and leveraging the potential of volunteerism in this region. It was agreed that the Federation will fund the Arabic translation of the UNV annual report from 2014 until 2017. Long-standing partnerships, such as those with the International Forum for Volunteering in Development, the International Association of Volunteer Effort, and the United Nations Global Compact, were strengthened.

13. Special partnerships were forged through the Online Volunteering service, which greatly increased UNV outreach to civil society organizations and marginalized groups. UNV also established closer ties with the International Federation of the Red Cross (IFRC). In the biennium, UNV and the IFRC collaborated in preparations for the Rio+20 Conference and on the 'Volunteer Action Counts' campaign (13 of the 64 million actions counted were from IFRC volunteers).

Key result 1.3. Awareness of volunteerism and its contribution to development is raised among UNV key stakeholders

14. UNV participated in and contributed to intergovernmental, governmental and non-governmental events and forums, resulting in greater awareness of volunteerism in eight countries ranging from Bosnia-Herzegovina to Madagascar. UNV contributed to the global discussion on volunteerism and youth in the South-South debate and was involved in the planning and implementation of the 2012 Africa Conference on Volunteer Action for Peace and Development. UNV participated in the first-ever Global South-South Development Conference held in the South (Kenya, 2013), where volunteerism and youth were presented as key issues. UNV mobilized local volunteers for the conference and related social media.

15. Twenty-eight national and regional reports, studies and manuals highlighting the value and contribution of volunteerism were published by or with the support of UNV in 2012. In 2013, eight UNV-supported national studies or reports on volunteerism were undertaken and/or published. International Volunteer Day was observed by and in cooperation with UNV in over 80 countries around the world in 2012 and 2013.

16. In 2013, the number of people mobilized to share volunteer stories on the International Volunteer Day website increased by 51 per cent over 2012. A 222 per cent increase over 2012 in the number of tweets relating to #actioncounts and #IVD was also recorded in 2013. The total number of UNV Facebook likes on International Volunteer Day increased by 86 per cent. In Sri Lanka, the day was celebrated by national celebrities, and the gala for the "V-Awards", which were initiated by UN Volunteers, was televised nationally to some six million viewers in both 2012 and 2013. UN Volunteers worked with local partners to facilitate broadcasting the ceremony. The global 2013 campaign received tremendous social media exposure, more than a 300 per cent increase over the previous year.

Key result 1.4. Support provided by UNV to increase capacity at national and international levels to formally recognize volunteerism and its contribution to development

17. UNV supported processes leading to declarations, policies or legislation on volunteerism in 58 countries during the biennium. Among them were laws related to volunteering passed in Bosnia and Herzegovina, the Dominican Republic, and Honduras. UNV supported the drafting of a law on volunteerism in Mongolia and the formulation of a national volunteer policy in Rwanda.

18. UNV established close relations with the secretariat of the post-2015 development agenda and participated in the United Nations Task Team. Links were established between UNV and the United Nations Millennium Campaign concerning the 'World We Want 2015' and the 'My World' initiatives. The UNV 'My World' engagement highlighted that volunteers constitute a driving force for sustainable development. UNV provided input to the United Nations Development Group guidelines on post-2015 national consultations, supported UNDP, and facilitated stakeholder engagement through UNV field units and with dedicated post-2015 UN Volunteers in over 25 countries.

B. Integration of volunteerism into peace and development programmes

19. The cooperation of UNV with other United Nations entities, global and regional international organizations outside the United Nations system, civil society, governmental bodies and institutions, and the private sector, contributed to further integration of the concept of volunteerism into peace and development policies and activities. UNV established and leveraged partnerships with partners within and outside the United Nations system. The organization was successful in triggering and supporting the establishment of numerous national volunteer schemes.

Key result 2.1. Tools, policies and knowledge generated by UNV to enable development partners to integrate volunteerism into development policies, strategies and programmes, including sectoral and focus area policies and strategies

20. Volunteerism has been integrated into the development policies, plans and programmes of United Nations system partners including in 20 crisis countries. In 2012, those efforts included the design of national volunteer schemes in Burundi and the negotiation of a programme framework to mobilize United Nations youth volunteers in the Kurdistan region of Iraq. In 2013, UNV and volunteerism were integrated into 21 strategic planning documents, including 20 new United Nations Development Assistance Frameworks and one country-level United Nations integrated strategy. This increased the diversity of United Nations entities hosting Volunteers and the identification of areas for joint programming in 2014. For the first time ever, in 2013 UN Volunteers were deployed to the following United Nations entities: the United Nations Centre for Regional Development, the United Nations Mine Action Coordination Centre, and the United Nations Political Office for Somalia. With respect to joint programming, over 30 collaborative efforts with United Nations partners were implemented and nine new projects or extensions were approved in the biennium.

21. With a view to better integrating volunteerism into peace and development activities, UNV developed and disseminated practice notes on themes ranging from conflict prevention and peacebuilding to community-based adaptation, non-formal education and local governance.

Key result 2.2. Integration of volunteerism in development policies, strategies and programming demonstrated

22. At the global level, volunteerism was included in key documents, including the Secretary General's annual report to the General Assembly on the United Nations Regional Centre for Peace and Disarmament in Asia and the Pacific, which features a pilot project called 'Volunteers for Peace Education' that was primarily designed by a UN Volunteer. Another example is the concept of a pan-African youth volunteer corps in partnership with the African Union Commission, which was included in the action plan of the Fifth Tokyo International Conference on African Development.

C. Mobilization of volunteers contributing to peace and development

23. During the reporting period UN Volunteers and UN Online Volunteers from over 160 countries worked to foster progress in the UNV focus areas and to promote peace and sustainable development (see annex 1). About 80 per cent of those volunteers came from the global South. The value of volunteerism as a resource for peace, development and attaining the Millennium Development Goals is increasingly being acknowledged. UNV leveraged this recognition and continued to support countries in developing national volunteer schemes, youth volunteer schemes and volunteerism-related policies and legislation. Community development and empowerment interventions helped strengthen local governance and capacity-building for inclusive, participatory planning processes.

24. UN Volunteers supported the work of 33 other United Nations entities and made substantial contributions to progress in all UNV focus areas. The majority of UN Volunteers were deployed to the Department of Peacekeeping Operations (2012: 43 per cent. 2013: 42 per cent), UNDP (2012: 30 per cent. 2013: 28 per cent), and the Office of the United Nations High Commissioner for Refugees (2012-2013: 14 per cent). In the reporting period, the number of UN Volunteers serving in posts around the globe declined compared to the previous biennium, but showed an upward tendency towards the end of the reporting period. Following an 11.5 per cent decrease from the 2010-2011 biennium in the total number of UNV assignments to 6,912 in 2012, the number dropped by a further

6.5 per cent to 6,459 in 2013. Overall, the decreases are higher with national assignments, with an international-to-national ratio of 72:28 in 2012 and 73:27 in 2013. The number of fully-funded volunteers, however, increased markedly, growing by 12 per cent from 2012 to 2013. With an additional 35 fully-funded assignments with 18 partners, the number of fully-funded Volunteers climbed to 483. While numerous challenges have led to a decline in the number of UN Volunteers, the UNV strategic framework, 2014-2017, has set a clear course and theory of change to increase their numbers in the years ahead.

25. In regional terms, 60 per cent of all assignments in the biennium took place in sub-Saharan Africa. Assignments in the Arab States, Asia-Pacific and Latin America and the Caribbean accounted for 13 per cent of the assignments each in 2012 and 9 per cent, 16 per cent and 10 per cent respectively in 2013. Four per cent were dedicated to Europe and the Commonwealth of Independent States in 2012, and 5 per cent in 2013.

26. The UNV Online Volunteering service continued to expand during the reporting period, reaching a total of more than 350,000 users across the globe. Annually, on average in the biennium, UNV mobilized over 11,000 UN Online Volunteers who handled over 16,500 assignments over the Internet. This constituted an increase of 6 and 5 per cent, respectively, compared to the annual average from the previous biennium. Of the Online Volunteering assignments, 38 per cent were related to Sub-Saharan Africa, 30 per cent had a global focus, Latin America accounted for 13 per cent, Asia and the Pacific for 12 per cent, Europe and the Commonwealth of Independent States for 4 per cent, and the Arab States for 3 per cent. In 2013, organizations that benefited from UN Online Volunteers indicated that they broadened access to services for disadvantaged groups and communities (75 per cent), the mobilization of communities through voluntary action (15 per cent) and the inclusion and participation of stakeholders, in particular the disadvantaged (10 per cent).

27. In 2013, 60 per cent of UN Online Volunteers were from the South, 58 per cent were women, 2 per cent reported having disabilities and 60 per cent were under 30 years old. Ninety-three per cent of organizations and online volunteers rated their satisfaction with their online collaboration as 'good' or 'excellent', an increase of 2 points compared to the previous biennium.

28. South-South cooperation is a valuable element in working towards sustainable development, as it involves the exchange of skills, knowledge and best practices among volunteer experts from similar development contexts. With over 80 per cent of UN Volunteers coming from countries of the global South and 67 per cent of these working in countries other than their own, South-South cooperation is a natural focus area of the organization. A number of emerging economies have stepped forward to contribute to the work of UNV. Brazil, China, India and Indonesia expressed an interest in providing fully-funded UN Volunteers. The Sergio Vieira de Mello Scholarship, agreed between UNV and the government of Brazil in early 2014, will enable Brazilian Youth Volunteers to serve in Haiti and Pakistan. Moreover, in 2012, UNV joined EvalPartners, a global network created to strengthen national evaluation capacities and promote the use of evaluation and evidence-based policy-making at the global, regional and national levels. EvalPartners is viewed as a forum for South-South and triangular cooperation.

29. The gender ratio improved slightly compared to the previous biennium, climbing from 38 per cent at the end of 2011 to 40 per cent at the end of 2013. UNV is demand-driven and in many cases does not take the final decision concerning selection of volunteers. With regard to peacekeeping missions in particular the gender ratio remains unsatisfactory. UNV continuously submits more female candidates than are selected; hence support from host organizations in selecting more women candidates is still required.

30. UNV continued to focus on engaging young people in volunteering, as well as implementing activities beneficial to youth. The organization strengthened processes to ensure the quality of UN Volunteers and their placements. Several evaluations were undertaken to assess the impact of UNV and its volunteers.

Key result 3.1. Well-defined, effective and inclusive volunteer management established

31. During the 2012/2013 biennium, UNV engaged in standard-setting and preparing and/or reviewing regulatory documents relating to volunteer management. The policy and conditions of service for national UN Volunteers were finalized and launched in July 2012. Accuracy of UN Volunteer data was improved and a series of instruments and tools were developed to implement the new policies.

32. To minimize security and safety risks for UN Volunteers in the field, 100 per cent compliance was achieved in ensuring that United Nations Department of Safety and Security online training, certification and additional security training were performed upon arrival at the duty station and prior to deployment. All Field Units maintained up-to-date emergency contact information, and copies of vital documents of all serving UN Volunteers are included on the UNV Portal. Nevertheless, untimely deaths of serving volunteers cannot be ruled out. During the biennium, 10 UN Volunteers passed away due to illness and three perished in car accidents. Accordingly, UNV, in cooperation with the United Nations Secretariat, contributed to the development of the updated *Death in Service Handbook*, which was launched by the United Nations Emergency Preparedness and Support Team and disseminated to all personnel at headquarters and in the field.

33. To promote recruitment of potential UN Volunteers, the UNV public website was improved and simplified, resulting in close to an 80 per cent reduction of user enquiries and help-desk intervention.

34. For UN Volunteers, access to structured learning and skill-building opportunities is often limited. UNV launched a series of capacity building workshops and developed a learning strategy for UN Volunteers, based on a learning needs assessment. A capacity development and learning facility was developed and implemented to support collective learning and knowledge sharing at the country level.

Key result 3.2. Volunteer engagement in UNV focus areas strengthened

Mobilizing for development

Delivery of basic services

35. UNV projects related to delivery of basic services concentrate on areas such as primary health care and HIV/AIDS, non-formal education, and poverty alleviation. Projects also support local governance to promote inclusive community participation and engagement in local development initiatives.

36. In southern Africa, health service delivery remains one of the major challenges. The respective health systems are plagued by significant gaps, which UNV has sought to fill by recruiting UN Volunteer doctors and by building capacity on the ground. In Malawi, the UNV project is funded through the Global Fund to Fight AIDS, Tuberculosis and Malaria. The UNV project in Lesotho is funded by the United States Agency for International Development. In South Africa, UNV provides medical services to remote areas, but as a BRICS (Brazil, Russia, India, China and South Africa) country, South Africa finances the services of the volunteers. In South Sudan, UNV is supporting UNFPA in a project involving the deployment of UNV midwives and midwife trainers across the 10 states to build the capacity of health care workers.

37. Building on the success of a previous project in Uzbekistan, UNV is involved in a new joint United Nations programme to improve the economic, food, health and environmental security for a community seriously affected by the Aral Sea environmental disaster. The project is funded by the United Nations Trust Fund for Human Security. In 2013, UNV trained 1,500 of its community volunteers in the prevention of respiratory diseases to work in their communities as primary health care apprentices. To help institutionalize volunteerism in the national health-care system, UNV mobilized seven part-time UN Volunteers. The UN Community Volunteers have skills appropriate to the local needs

and knowledge of the socio-cultural and political conditions. Their deployment on a pilot basis opens new opportunities to UNV, partners and hosting organizations to engage national volunteers on a part-time basis, allowing the UN Community Volunteers to work in their regular jobs while also directly influencing and contributing to the development of their communities. The piloted modality increases possibilities for national capacity-development and human resource development by strengthening the pool of expertise and knowledge that remains in the communities.

38. In India, UNV worked with the Government, UNDP, UNFPA and the United Nations Children's Fund (UNICEF) in capacity development for district planning. Originally scheduled to end in 2011, the project was extended to 2013 due to its success. UN Volunteers contributed to community mobilization and strengthening of inclusive district planning and monitoring. A similar programme, the Local Governance and Community Development Programme, was carried out in Nepal to address issues of inequality and social exclusion. Conducted jointly with the government, UNDP, UNICEF, UNFPA, the United Nations Capital Development Fund and UN Women, the project ended in 2012, but a follow-up programme was launched for the 2013-2017 period.

Environment and climate change

39. UNV continued its partnership with the United Nations Convention to Combat Desertification in Africa through the Youth Environmental Management and Education Project on integrated environment and natural resources management in Zambia. Not only has this project helped to rehabilitate the environment, but it has also created improved and sustainable livelihoods of youth. The project mobilized about 200 community volunteers and linked its activities to the HIV/AIDS and Asia Youth Exchange Programme actions on food security.

40. To reduce environmental degradation, in partnership with UNDP and the Government of Benin, UNV is supporting the project to promote volunteering in decentralized environmental management in Benin. The project aims to build capacities of local institutions and communities to resolve environmental issues and other challenges. In 2012, a platform was established bringing together 520 members representing around 50 local volunteering structures in six communes.

41. To strengthen the resilience of vulnerable communities to the adverse and variable effects of climate change, UNV, with UNDP and the Global Environmental Facility Small Grants Programme, supports 'Community-Based Adaptation', a five-year global initiative. The project mobilized more than 13,000 volunteers in seven pilot countries – Bolivia, Guatemala, Jamaica, Niger, Samoa, Namibia and Morocco – resulting in greater community ownership and, thus, sustainability of the initiative.

Mobilizing for peace

Crisis prevention and recovery

42. With over 116,000 persons deployed to 16 Department of Peacekeeping Operations (DPKO) missions and 13 missions conducted under the aegis of the Department of Political Affairs (DPA), United Nations peacekeeping remains a very large-scale endeavour. Overall available resources have diminished in the wake of the global economic crisis and other challenges. And new threats that may ultimately need to be addressed by peacekeeping operations are emerging: environmental change, economic shocks, transnational crime, and extremism. Against this backdrop, UN Volunteers contribute to the prevention of crises, as well as to peacebuilding and recovery. The new strategic framework, 2014-2017, explicitly lists community resilience for environment and disaster risk reduction, as well as peacebuilding, among the priority areas of UNV for the coming years. UN Volunteers also play an important role in developing national civilian capacity. This includes technical capacity, working directly with national personnel and building skills and competencies (for project management, peacebuilding and human rights monitoring, for example) among civil society and local authorities in conflict-affected countries

43. As at December 2013, UNV was involved in 10 DPKO missions and six DPA missions. In the biennium, UN Volunteers were working on crisis prevention and recovery in countries and territories such as Afghanistan, Algeria, Haiti, Iraq, Kyrgyzstan, Myanmar, Palestine, Pakistan, the Philippines, Somalia, South Sudan, Sudan and Western Sahara. In most cases, UN Volunteers constitute up to one third of the international civilian component of a peacekeeping mission.

44. At the end of 2013, the United Nations Stabilization Mission in Haiti included 234 UN Volunteers engaged in technical support and substantive work. Of special interest is the community violence reduction programme, with a mandate that is closely related to civil affairs.

45. In Sudan, 476 UN Volunteers are on the ground in the framework of the African Union-United Nations Mission in Darfur, with a primary mandate of protecting civilians. UN Volunteers are providing technical and substantive support in areas such as human rights and civil affairs. Fifteen volunteers are providing technical support to the United Nations Interim Security Force for Abyei. Another 123 UN Volunteers are supporting the work of United Nations entities in Sudan, particularly the work of UNHCR concerning internally displaced people in Darfur and refugees from Eritrea and Ethiopia.

46. The UNV field unit serving UNDP and UN entities in South Sudan includes around 60 international UN Volunteers deployed under the UNDP rapid capacity placement initiative. The initiative integrates UN Volunteers at the state level to strengthen government institutions in the areas of public administration, revenue generation, planning, finance, and budget management. Based on its successful outcome, the programme has been identified as a good practice to be included in the upcoming UNDP *Guidelines on Local Governance and Local Development*. In 2013, 752 UN Volunteers served in South Sudan, 503 with the United Nations mission and 249 with the United Nations country team.

47. About 740 UN Volunteers were active in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo, working on rule of law, security sector reform, and demobilization.

48. UN Volunteers are involved in the Department of Field Support pilot for a regional support centre in Entebbe, Uganda. The centre, which comprises a large logistics base, started out supporting only the United Nations mission in the Democratic Republic of the Congo and now serves 10 different peacekeeping missions across Africa. This project is indicative of the future approach to peacekeeping, with all support functions centralized and support provided remotely.

Humanitarian assistance

49. UNV contributes to coordination efforts and information-gathering in humanitarian assistance and relief as well as community mobilization, ownership and empowerment through the participation and inclusion of marginalized sectors of the population. In the reporting period, UNV did this through continued support of the Inter-Agency Standing Committee-led entities protecting children, refugees and internally displaced persons, engaging in emergency response, and providing basic services. During the reporting period, nearly 20 per cent of UN Volunteer assignments globally, or well over 1,500 assignments per annum, were related to the mandates and humanitarian assistance programmes of these partners. The presence of UNV volunteers working with crisis-affected communities is seen as an important support to United Nations humanitarian partners.

50. In September 2012, monsoon floods killed more than 400 people and affected more than 4.5 million others in the Pakistan provinces of Baluchistan, Punjab and Sindh. Fifteen UN Volunteers (three international and 12 national), based in Islamabad and in selected Sindh districts, were on the ground to offer assistance. The project was initially meant as a post-relief, early recovery project in flood-affected districts. However, it soon expanded its activities into other disaster risk reduction and disaster risk management-related areas.

51. The effectiveness of the volunteer modality in crisis situations was also seen when Category 5 Typhoon Haiyan hit the Philippines in late 2013. UN Volunteers worked with the United Nations Office for the Coordination of Humanitarian Affairs in Manila to alleviate the effects of the disaster for the local population and assisted in support-related efforts by national authorities. UNV also provided support to UNDP and the United Nations country team to complement surge requirements, using its fast-tracking procedures for emergency relief and early recovery. UNV set up a special recruitment task force at its headquarters to ensure that highest priority was given to all demands required for the response, and provided programmatic recovery support through its partnerships with the local volunteer sector at the community level.

The social inclusion pillars: youth, gender and marginalized people

52. In response to the Five-Year Action Agenda of the Secretary-General, UNV developed and launched its youth volunteering strategy. The strategy, released by the UNV Executive Coordinator in New York on 19 September 2013, sets out the vision and approach to youth volunteerism for 2014-2017. A workshop and several benchmarking exercises involving youth, youth-led organizations, volunteer-involving organizations, governments and United Nations entities were organized to develop a policy note and conditions of service for the UN Youth Volunteers. UNV mobilized over a thousand international and national UN Volunteers under the age of 29 during 2013. Of these, more than 60 per cent were female and 72 per cent were from countries of the global South. Furthermore, 119 University Volunteers from Spain and Japan were fielded, and 165 fully-funded UN Youth Volunteers from Belgium, the Czech Republic, France, Germany, Ireland, Italy, Korea and Switzerland served through UNV.

54. Significant momentum has been achieved in strengthening national and regional capacities for youth volunteering. In 2012 and 2013, UNV-funded projects supported volunteer activities in global peace and sustainable development. These efforts seek to influence national policies, legislation, statutory frameworks, and budgets, and to help strengthen nationally-owned, sustainable volunteer schemes. In 2012, UNV invested over $1,400,000 in youth-related projects in Benin, Bosnia and Herzegovina, Burkina Faso, Cape Verde, the Dominican Republic, Ethiopia, Indonesia, Lesotho, Mali, Mauritius, Mozambique, Peru, Rwanda, Senegal, Ukraine, Uzbekistan and Viet Nam.

55. Regional efforts to promote volunteering included the 'Arab Youth Volunteering for a Better Future' project, piloted in five Arab countries. The project, which was developed following national consultations, takes a new approach to developing regional activities based on the outcome of country activities. At the national level, UNV succeeded in integrating the concept of volunteerism into six national youth sector strategies.

56. In Ukraine, a successor project to the 'Youth Social Inclusion for Civic Engagement' project was launched in 2012, in cooperation with UNDP, the United Nations Office on Sport for Development and Peace, the Deutsche Gesellschaft für Internationale Zusammenarbeit, the Ukrainian Government, and the Football Federation of Ukraine. The project, 'Young Football Volunteers: Sports and Volunteering for the Millennium Development Goals', targets youth between the ages of 12 and 20 and leverages sports to improve their social and physical well-being.

57. UNV has signed a Letter of Understanding with the African Union Commission. The volunteer programme of the Economic Community of West African States (ECOWAS) has been scaled-up with the support of UNV. About 80 youth volunteers aged 18 to 35 (the official age definition of the African Union and ECOWAS) from 11 of the 15 ECOWAS Member States have been deployed in three pilot countries – Guinea, Liberia and Sierra Leone – and are working to advance peace and reconciliation, and to drive development in their nations and region. The third regional UNV initiative is the 'Arab Youth Volunteering for a Better Future' project described above.

58. Preventing gender-based violence was the objective of the 'Partners for Prevention' project in 12 countries of the Asia-Pacific region. Conducted from 2008-2012 by UNV in partnership with UNDP, UNFPA and UN Women, as well as governments, civil society organizations and volunteer-involving organizations, the programme worked to reduce gender-based violence by addressing its root causes. Seven UN Volunteers contributed to this joint programme during the biennium. The 2012 evaluation found "overwhelming evidence" that the project had been very relevant to the gender-based violence initiatives of United Nations entities and other stakeholders.

59. 'Empowering Vulnerable Local Communities' is a multisectoral response that seeks to improve human security and access to socio-economic and civic rights for vulnerable communities (Roma and Egyptians) in Albania. Four United Nations organizations – UNDP, UNV, UNFPA and UNICEF – and have partnered to implement the programme. The project approach is novel insofar as the volunteers were engaged from among members of the marginalized community it was designed to support.

Key result 3.3. Tools, knowledge and guidance provided by UNV to enable regional, national and local partners to establish schemes to mobilize and manage volunteers for development

Learning from evaluations

60. At the field level, the participatory methodology for assessing the contribution of volunteering to development (or 'V-methodology') was implemented to assess the contribution and impact of UN Volunteers in the field, in particular with regard to capacity-building. UNV delivered 10 workshops on the methodology during the reporting period, including five at headquarters and five in the field. All post-2015 volunteers were trained in methods stemming from the methodology.

61. A summative and forward-looking evaluation of the UNV contribution to volunteer infrastructures and schemes was launched in 2013 and will be completed during 2014. It aims to assess the overall UNV approach and the results achieved in its efforts to assist programme countries in developing sustainable national or regional capacities and mobilizing volunteers domestically, through national volunteer schemes, volunteer centres, and policy and legislative frameworks. The findings and recommendations of this ongoing evaluation will be used to chart and prioritize UNV future interventions in supporting volunteer schemes.

62. In 2013, UNV carried out an evaluation of the commemoration of the tenth anniversary of the IYV+10, and the related flagship projects such as the State of the World's Volunteerism Report. The aim of this exercise was to assess UNV performance in leading the marking of IYV+10 and the extent to which this contributed to recognition, facilitation and promotion of volunteerism worldwide. The evaluation noted that UNV had accomplished much with limited resources and had increased its visibility within and outside the United Nations system. The evaluation flagged a number of key issues for UNV to address, including the necessity to anchor advocacy through a long-term institutional effort, and the importance of strengthening capacities at the national level.

III. Management results

Operating and fulfilling the UNV mandate within UNDP operating rules and regulations, policies and procedures, as applicable to UNV

63. UNV operates within the rules and regulations, policies and procedures of UNDP, as applicable to UNV operations. In particular, UNV adheres to the UNDP internal control framework, with special emphasis on the division of roles and responsibilities. In 2013, UNV fulfilled the high compliance standards of the framework, which were endorsed by the Office of Audit and Investigation in 2011. In

2012, updated standard operating procedures were developed and implemented for a series of business processes, including procurement and contracting, certain types of recruitment, and asset management. In 2013, a specialized information and communications technology audit by the UNDP Office of Audit and Investigations confirmed that the UNV implementation of general controls was satisfactory, reflecting proper protection, safeguarding, maintenance and availability to users of the key business tools and systems, which represented substantial financial investment and were essential in enabling UNV to deliver on its results.

Maintaining structures, systems and tools that enable the organization to function effectively as a results-based organization achieving mandated results through appropriate allocation and management of its resources

64. In 2013, as part of the organizational consolidation for implementing the strategic framework, 2014-2017, UNV, in cooperation with UNDP, commenced a comprehensive review of the tools and processes used for identifying, recruiting and managing UN Volunteers. The exercise will continue throughout 2014. UNV adopted and implemented new UNDP Atlas modules to replace outdated UNV-specific software tools. UNV has identified the need to develop new tools and applications for managing and reporting the development impact of UN Volunteer assignments.

Meeting UNDP policies and standards for staff diversity

65. For UNV, as for other international organizations, diversity and gender balance are crucial to realizing its full potential. During the biennium, UNV took part in the reporting process for the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women endorsed by the Chief Executive Board for Coordination. In 2013, the then Acting Head of UN Women commended the organization on its comprehensive reporting. At present, UNV is not meeting equity targets for gender and North-South balance. Thirty-five per cent of international staff members are from the global South, while 40 per cent are women.

66. UNV is making efforts to improve diversity metrics at all levels, and the strategic framework, 2014-2017, sets a target of achieving a 50 per cent gender balance by 2017. In 2013, UNV initiated implementation of the UNDP gender equity strategy and made considerable efforts to identify and recruit qualified women and candidates from the South. UNV took measures to ensure that candidates from the South were given priority consideration. UNV ensures that every shortlist contains female candidates and candidates from the global South, and alerts the hiring managers to particularly promising candidates from these groups. Finally, every interview panel must include at least one female member and one member from a country in the global South. Additionally, at the stage of talent identification, UNV is using formal and informal networks to target qualified candidates from under-represented categories.

Maintaining structures, systems and tools to provide, support, utilize and benefit from an increasing number of United Nations common services and activities in Bonn, delivered in an effective and efficient manner

67. UNV continued to promote increased collaboration among United Nations entities in Bonn to achieve better results with existing resources. UNV took over responsibility for coordinating the United Nations campus expansion project. The new building, "Altes Abgeordnetenhochhaus", was handed over to the United Nations and requirements for further campus expansion were established. These positive results were due to the good relationship with the host government, the landlord and related entities.

IV. Challenges and opportunities

Implementation of and alignment with the strategic framework

68. In January 2014, the UNV Executive Coordinator launched the strategic framework, 2014-17, and its associated integrated results and resources matrix, at an informal session of the Executive Board. The framework is the first of its kind, focussing on harnessing the power of volunteers and volunteerism to support Member States in achieving internationally agreed development goals. It guides UNV work over the coming four years and focuses on working more systematically with partner countries and United Nations partners to increase its impact. The vision of the strategic framework is translated into concrete deliverables in the integrated resources and results matrix that demonstrates how UNV will be held accountable for its results. UNV will be reporting against the matrix (see annex 3) in coming Executive Board reports – including a mid-cycle review at the end of 2015 – to assess implementation progress and make necessary adjustments. This will also be an opportunity to ensure alignment with the post-2015 development agenda.

69. During 2013, UNV engaged in systematic analysis and consultation to develop its strategic framework. The content was informed by the significant feedback provided by the Executive Board and UNV partners and stakeholders, both existing and potential. UNV proceeds with the expectation that the strategic framework will provide the basis for new and more diverse operational and financial partnerships.

70. The first key outcome of the framework is enabling UN entities to achieve better development results through the integration of volunteers and volunteerism. UNV is committed to providing all United Nations entities with the highest calibre of volunteers to meet peace and development needs. At the same time, UNV mobilizes and invests resources jointly with United Nations partners for its own programme work. The second key outcome focuses on UNV support to partner countries for the integration of volunteerism within national and regional frameworks. The overarching principles of this work are a commitment to overcoming social exclusion, addressing gender inequalities, and promoting South-South and triangular cooperation.

71. The strategic framework articulates the investments that UNV will need to make to strengthen its efficiency and effectiveness. UNV will adopt an integrated budget, invest in improved technology systems, enhance human resource management and focus strongly on results-based management. The framework and matrix together clearly outline the shape of success; however, the Framework acknowledges that success cannot be achieved without developing and strengthening relationships with a range of traditional and new partners. These include Member States, United Nations entities, civil society, volunteer-involving organizations, other multilateral institutions, the private sector, and foundations.

Implementation capacity, institutional impact and key UNV resources

72. The strategic framework establishes ambitious targets in terms of volunteer numbers and their impact, and supporting the integration of volunteerism into national frameworks. Within the context of declining UNDP core resources, UNV will need to rapidly improve its systems, business practices and processes to support the anticipated larger volume of work.

73. UNV will focus on strengthening partnerships for the Special Voluntary Fund, the United Nations Youth Volunteering Trust Fund, fully-funded UN Volunteers and other cost-sharing opportunities. The Special Voluntary Fund multi-year report, 2009-2013, published in 2014, demonstrates that the Fund is an indispensable component of UNV funding, not least because the organization lacks a stable source of core funding. As outlined in this report, many projects financed by the Fund are

highly innovative and are frequently pilot projects. They demonstrate the relevance of volunteerism to sustainable development. This is confirmed by the replication, extension or scaling up of such projects and the specific request of implementing partners for continued volunteer involvement once the initial project period has ended. The current mandate of the Fund does not cover activities in the replication or upscaling phase. Therefore, UNV recommends that the mandate be expanded to cover such activities, as outlined in the multi-year report. In the new strategic framework period, the main vehicles for innovation will be the new programmes being developed under the five priority areas.

74. UNV will need to further optimize its organizational structure, including through strengthened capacity at the regional level to engage more partners in the field. Equally essential will be an institutional emphasis on building staff capacity for achieving the goals of the organization.

Implementation of Global Youth Volunteering Programme

75. Given the shrinking budgets of United Nations organizations, generating participation in the UN Youth Volunteers programme will be a challenge, as will adapting existing UNV systems to the requirements of this new modality. For UNV, the introduction of a substantial learning component for UN Youth Volunteers, to better support their learning needs, is a particular challenge.

76. The UN Youth Volunteers programme continues to enjoy high visibility within the United Nations system, and strong support from the Secretary-General's Envoy on Youth indicates that the UN Youth Volunteers programme has the potential to meet the expectations of the Secretary-General's Five-Year Action Agenda.

United Nations DP/2014/14

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Evaluation

Annual report on evaluation, 2013

Summary

The present report constitutes a summary of the key elements of the annual report on evaluation 2013. It provides a brief overview of the progress made by UNDP, and associated funds and programmes, in fulfilling the evaluation functions outlined in the UNDP evaluation policy. It also presents the planned programme of work for 2014 and 2015. The full annual report on evaluation, with detailed analysis of results, will be submitted to the Executive Board in advance of the annual session of 2014.

Elements of a decision

The Executive Board may wish to: (a) take note of this summary and the full annual report; (b) request UNDP, the United Nations Capital Development Fund and the United Nations Volunteers programme to address the issues raised; and (c) approve the revised programmes of work for 2014 and proposed programmes of work for 2015.

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Contents

Chapter		*Page*
I.	Introduction	3
II.	Budget and human resources	3
III.	Activities in 2013	3
	Joint evaluations	4
	Review and reform of assessments of development results	4
	Evaluation Advisory Panel	4
	Support to regional and national evaluation capacity	5
	Support to United Nations Evaluation Group	6
IV.	Decentralized evaluation quality and results	6
	Country office and bureau evaluation capacities	6
	Evaluations commissioned by country offices and regional and policy bureaux	6
	Evaluation plan compliance	7
	Decentralized evaluation quality	7
	Quality of evaluation reports by region	8
	Quality of Global Environment Facility terminal evaluations	8
	Challenges to evaluation quality	8
V.	Evaluation planning, 2014-2015	9
	Programme of work for 2014	9
	Proposed programme of work for 2015	9
VI.	Evaluation activities of the United Nations Capital Development Fund	10
VII.	Evaluation activities of United Nations Volunteers	11

I. Introduction

1. The UNDP evaluation policy establishes a common institutional basis for the UNDP evaluation function, which also applies to the associated funds and programmes – the United Nations Capital Development Fund (UNCDF) and the United Nations Volunteers (UNV) programme.

2. The present report constitutes a summary of the 2013 annual report on evaluation. The Independent Evaluation Office (IEO) of UNDP will annually produce and publish on its website a more extensive annual report on evaluation, which will be available prior to each annual session of the Board. This revised format offers the chance to provide a more detailed description of the evaluation-related activities carried out in 2013, and greater insight into the achievements of and challenges facing UNDP.

3. At its first regular session of 2014, the Executive Board changed the name of the UNDP Evaluation Office to the IEO in recognition of its impartial assessment role in the organization and of its reporting line directly to the Board. The present report consequently references the work of IEO.

II. Budget and human resources

4. In 2013, expenditures by the UNDP Evaluation Office (now IEO) for evaluations and other corporate-related activities totaled $8.278 million, of which $7.624 million was from regular resources and $655,000 from other resources. This represents an increase of 4.3 per cent from 2011. Ninety-four per cent of the core funding was spent.

5. The IEO has 22 staff members (16 International Professionals (IP) and six General Service (GS)); 63.6 per cent of all IEO staff and 36.3 per cent of IP staff are women. In 2013, 52 per cent of consultants hired to assist in carrying out evaluations were female. This marks a continuing upward trajectory and progress in the IEO policy to ensure gender parity. In 2012, 41 per cent of consultant hires were female, up from 32 per cent in 2010.

III. Activities in 2013

6. The primary function of IEO is to conduct independent evaluations. These evaluations support stronger accountability of UNDP to the Executive Board and to other stakeholders in the countries where the organization works. They also support learning to strengthen programming and to make UNDP a more relevant, effective and efficient organization. The year 2013 was notable for the large number of thematic and programmatic evaluations carried out in preparation for the new UNDP strategic plan.

7. IEO completed and presented three thematic evaluations to the Executive Board by IEO in 2013:

(a) evaluation of the UNDP contribution to poverty reduction (first regular session);

(b) evaluation of the UNDP role in conflict-affected countries (first regular session);

(c) evaluation of the UNDP contribution to South-South and triangular cooperation (annual session).

8. Seven programmatic evaluations were presented to the Executive Board at its annual session:

(a) evaluation of the UNDP strategic plan 2008-2013;

(b) evaluation of the fourth global programme;

(c) evaluations of the regional programmes for Africa, Arab States, Asia and the Pacific, Europe and the Commonwealth of Independent States (CIS), and Latin America and the Caribbean.

9. Country-level evaluations, termed assessments of development results (ADRs) were carried out in Afghanistan, Algeria, Iraq, Kenya and Sierra Leone. A planned evaluation of the work of UNDP in Lebanon was cancelled due to the Syrian crisis and the deteriorating security situation. These ADRs will be made available to the Board at the same time that the corresponding country programme documents are presented for approval.

Joint evaluations

10. With the Independent Evaluation Office of the Global Environment Facility (GEF), in 2013 the IEO began a joint evaluation of the GEF/UNDP Small Grants Programme and of the impact of UNDP/GEF support to protected areas management. Together with the United Nations Environment Programme (UNEP), the IEO also commenced an evaluation of the UNDP-UNEP Poverty-Environment Initiative.

11. In 2013, IEO and the evaluation offices of the Food and Agricultural Organization of the United Nations and UNEP formed an evaluation management group for evaluating the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries. The resulting evaluation reports for each of these joint efforts will be available in 2014.

12. In 2013, IEO was a contributing partner in the first joint evaluation of joint gender programmes in the United Nations system. Starting in 2012, seven partners – UNDP, UNFPA, the United Nations Children's Fund, the United Nations Entity for Gender Equality and Empowerment of Women (UN-Women), the Millennium Development Goal Achievement Fund and the Governments of Norway and Spain – came together to commission and oversee the reporting effort. The evaluation was concluded in early 2014.

Review and reform of assessments of development results

13. During the second half of 2013, IEO began a review of the way it conducts country programme evaluations (ADRs), with the goal of a new independent country-level evaluation tool for UNDP. The review is broad in scope and involves rethinking the ADR so as to create a new tool that is fully aligned to the new strategic plan and the evolving work of UNDP at the country level.

14. The reform process is taking a phased approach, with the first phase in 2013 and 2014 consolidating the reforms that IEO introduced in 2013, specifically the move to having staff lead evaluations. The 2014 ADRs are following the same approach and methodology as those used in the 2013 round. By 2015, the new ADR formats will be in place. The first major output of the work will be new guidance materials and tools for conducting independent country-level evaluations in UNDP.

Evaluation Advisory Panel

15. An independent Evaluation Advisory Panel was established in 2013 to provide support and advice to IEO, in keeping with its objective to produce high-quality evaluations that help to enhance the performance of and results achieved by UNDP. The panel has 11 members who are selected through an open and competitive selection process. Panel members have been contracted to:

(a) recommend improvements to the overall coherence and consistency of the IEO approach, work programme and methodologies;

(b) review key deliverables, including guidance covering methodologies and procedures, and specific evaluation documents, i.e., terms of reference and draft and final reports;

(c) advise the IEO on ways to raise its prominence, including improvements to knowledge-sharing platforms and dissemination strategies.

Support to regional and national evaluation capacity

16. UNDP provides support for the development of national evaluation capacities, within the mandate set by the UNDP evaluation policy. The support is provided at the request of host Governments and carried out in cooperation with UNDP regional bureaux and country offices. Joint efforts with UNDP programme units are designed to bolster UNDP support to government capacity-building. The IEO work is designed to help strengthen communities of practice in evaluation. To the fullest extent possible, the evaluation capacity development work is aligned with UNDP efforts to promote South-South and triangular cooperation.

17. Since 2009, the IEO has organized biannual international conferences on national evaluation capacities. The third such conference took place in São Paulo, Brazil (29 September– 2 October 2013) and was organized in partnership with the Brazilian Secretary for Evaluation and Information Management of the Ministry of Social Development and Fight Against Hunger. The conference, which focused on solutions to challenges related to the independence, credibility and use of evaluations, brought together 160 participants from 63 countries. These included representatives of national institutions responsible for commissioning, conducting and using evaluations of public policies, projects and programmes; leading experts and practitioners; UNDP colleagues; members of academia, civil society and voluntary organizations for professional evaluation; and other United Nations and development agencies from every region.

18. The conference used a participatory approach to engage participants. Going beyond the usual discussion of evaluation issues and showcasing of best practices and innovations, participants engaged in discussions on solutions and arrived at a common list of 18 commitments aimed at promoting national evaluation capacity development. Institutions and representatives became signatories of the commitments, indicating their interest in collaborating and committing to promote development of national evaluation capacities.

19. Since the conference, IEO has followed up with participants and other interested parties on the implementation of the 18 commitments. To that end, a partnership has been developed with the UNDP International Policy Centre for Inclusive Growth (IPC-IG) in Brazil to help monitor and facilitate the promotion of these commitments. IPC-IG is following up on cooperation agreements and

requests for information and support linked to the 18 commitments and towards the proposed International Year of Evaluation 2015.

Support to United Nations Evaluation Group

20. As the host of the secretariat of the United Nations Evaluation Group (UNEG), IEO provides essential financial and human resources services to UNEG. In its role as UNEG executive coordinator, IEO is the steward of the UNEG annual work plan and budget. In addition, the IEO strongly supported UNEG in the following four areas in 2013:

(a) development of the UNEG strategy for 2014-2019;

(b) enhancement of evaluation functions;

(c) participation in system-wide evaluation discussions;

(d) promotion of the importance of evaluation in and beyond the United Nations system.

IV. Decentralized evaluation quality and results

21. In this chapter, the decentralized evaluation activities of UNDP are briefly considered. The term "decentralized" is meant to take into account all evaluations commissioned by programme units and conducted by independent external experts, as distinct from evaluations commissioned and conducted by IEO.

Country office and bureau evaluation capacities

22. Past annual reports have reported on the number of monitoring and evaluation specialists as a proxy for the evaluation capacities of regional bureaux and country offices. In reality, IEO does not know how much evaluation work these specialists are doing (as opposed to supporting country office and corporate monitoring systems), what their capacities are or what the quality of the work is. The UNDP evaluation policy review team will explore this issue so that a more accurate assessment of country office and bureau capacities can be made in the future.

23. In 2013, 42 per cent of country offices reported that they have at least one monitoring and evaluation specialist, compared to 23 per cent in 2012. Whereas 55 per cent of country offices in Africa have indicated they have dedicated monitoring and evaluation specialists, only 16 per cent of country offices in Europe and the CIS indicate they have dedicated staff members for these functions. The staffing trends over the past three years are positive in three of five regions, especially in Africa, with continuing positive trends in the Asia and the Pacific and the Latin America and the Caribbean regions. The Arab States region continued a downward trend, while Europe and the CIS decreased by one position from its already significantly low base.

Evaluations commissioned by country offices and regional and policy bureaux

24. In the 2013 reporting period, 102 country offices (73 per cent) completed a total of 298 evaluations (33 outcome evaluations, 249 project evaluations and 16 other types). Similar to 2012, 30 per cent of this total were evaluations of GEF-funded projects. Compared to 2012, there was an increase of 22 per cent in the total number of evaluations conducted across the regions. Most prominently, the Africa region nearly doubled its evaluation cohort: 68 per cent of country offices conducted 89 evaluations compared to 48 evaluations conducted by 42 per cent

of country offices in 2012. The Arab States region also saw a notable upward trend in evaluations conducted, with 30 evaluations commissioned by 61 per cent of its country offices, up from 20 evaluations commissioned by 41 per cent of country offices in 2012.

25. In 2013, the regional and policy bureaux conducted 18 evaluations. The Bureau for Crisis Prevention and Recovery completed two assessments: an evaluation of reintegration programmes; and an evaluation of support to mobile court arrangements in post-conflict situations. The Bureau for Development Policy completed six evaluations, an evaluation of gender-responsive climate change initiatives; an evaluation of UNDP efforts to promote integrated public-private partnerships for sustainable waste management; an evaluation of the Africa Adaption Programme; and three global project evaluations commissioned as an implementing partner to the GEF. Three evaluations were carried out by the Regional Bureau for Asia and the Pacific, two of which were of GEF regional projects. Seven evaluations were carried out by the Regional Bureau for Europe and the CIS, four of which were regional GEF projects and all of which focused on environmental issues. The Regional Bureau for Latin America and the Caribbean completed one evaluation. The Regional Bureau for Africa and the Regional Bureau for Arab States did not complete any evaluations in 2013. It is important to note that all but four of the 18 evaluations carried out by regional and policy bureaux focused on environmental issues, and half were GEF project evaluations, carried out as required by the partnership agreement with the GEF.

Evaluation plan compliance

26. The revised UNDP evaluation policy stipulates that all evaluations included in evaluation plans are mandatory. Starting in 2011, evaluation compliance of country programmes has been measured at the end of each programme period and based on the completion of all planned evaluations during the period. Of 14 country programmes concluded in 2013, 10 (71 per cent) were fully compliant, one was not compliant and three (21 per cent) were partially compliant.

27. All evaluations that are part of bureau and country office evaluation plans are expected to have a management response. In 2013, 89 per cent of all evaluations completed received a management response compared to 97 per cent in 2012.

28. Each of the global and regional programmes is expected to include an evaluation plan. The new regional programmes for 2014-2017 include such plans. An evaluation plan for the global programme has not been developed.

Decentralized evaluation quality

29. In 2013, 179 completed outcome, programme and project-level evaluations were assessed for quality.[1] The analysis shows that 45 per cent of assessed evaluations were rated 'satisfactory' or better, 36 per cent 'moderately satisfactory' and 19 per cent 'moderately unsatisfactory' or worse.

[1] Reviews of United Nations Development Assistance Frameworks, joint evaluations and midterm evaluations are not assessed, so while 298 evaluations were posted to the Evaluation Resource Centre for 2013, IEO assessed 179 outcome, programme and project evaluations, plus 44 UNDP/GEF project terminal evaluations, for a total of 223 quality assessments.

30. Positive trends are discernable. The number of moderately unsatisfactory reports has been halved since 2011, the number of evaluations considered moderately satisfactory has likewise been reduced and the number of evaluations judged to be satisfactory has increased each year and now more than doubled, to 44 per cent.

31. The positive overall trend notwithstanding, there remains significant scope for continued improvement in decentralized evaluations. In particular, concerted effort is needed to improve the quality and completeness of the terms of reference for evaluations. In addition, decentralized evaluation reports often lack a fully articulated evaluation framework. UNDP units should give greater attention to methodology, and ensure that evaluators clearly describe the evaluation approach and data collection methods. Moreover, many of the decentralized evaluations do not adequately consider whether gender equality is addressed in the project or programme being evaluated.

Quality of evaluation reports by region

32. In terms of regional distribution of evaluation reports completed in 2013, Africa represent 28 per cent of the total with 51 reports, followed by Latin American and the Caribbean (22 per cent), Europe and the CIS (20 per cent), Asia and Pacific (18 per cent) and Arab States (10 per cent). Evaluations of global programmes represent 2 per cent of the total. Reports from Africa show the most marked improvement over past years, with 53 per cent of the 2013 reports receiving a satisfactory rating, compared to 25 per cent of reports completed in 2012.

Quality of Global Environment Facility terminal evaluations

33. In 2013, UNDP completed and uploaded terminal evaluations of 44 GEF-funded projects, covering all regions and all focal areas (biodiversity, climate change mitigation and adaptation, land degradation, chemicals and international waters). The IEO assessed these evaluations for quality. Seventy-five per cent were judged to be in the range of 'moderately satisfactory' to 'highly satisfactory'. This is consistent with the results for the 64 evaluations completed in 2012 (many of which were assessed in 2013), 75 per cent falling in the same range. These results are slightly lower than those reported for 2009-2010 (83 per cent) and 2010-2011 (81 per cent). However, changes made to the UNDP/GEF evaluation guidance and to the quality assessment tool in 2012 account for some of the differences between 2012- 2013 and prior years.

Challenges to evaluation quality

34. When asked to identify key challenges and constraints on decentralized evaluation quality, several UNDP regional monitoring and evaluation advisors listed the following:

(a) despite advances in promoting an evaluation culture across UNDP, there remains a lack of dedicated monitoring and evaluation staff in some country offices, and evaluations are typically underresourced in terms of time and financial resources allocated to evaluation processes;

(b) there is a tendency to focus on the compliance aspects of monitoring and evaluation rather than using it as a tool for comprehensive project planning. Consequently, evaluations and their management responses are often seen as a "required step" rather than a substantive activity to stimulate dialogue with key counterparts, and inform the development of future projects and programmes;

(c) there is often insufficient attention paid in the programming cycle to setting strategic frameworks, the theory of change, identifying realistic indicators and establishing baseline data;

(d) in many countries, there remains a relative scarcity of competent, experienced and objective national evaluators;

(e) there is often a low level of commitment from counterparts (government and/or others) to engage fully in the programming cycle and take ownership of evaluation results.

V. Evaluation planning, 2014 – 2015

35. An evaluation plan for the period 2014-2017 was developed in 2013 and approved by the Executive Board at the first regular session of 2014. The plan continues to be rolled out as agreed with the Board. This chapter sets out the planned and proposed activities to be carried out by IEO in 2014 and 2015.

36. The approved plan includes the expectation of one additional thematic evaluation still to be selected, covering an institutional effectiveness theme related to section 5 of the strategic plan. The IEO is now discussing the specifics with UNDP management. The suggested topic will be presented to the Board for approval at the annual session of 2014. The analysis will be completed and presented to the Board at the first regular session of 2017.

Programme of work for 2014

37. The IEO programme of work for 2014 is funded under the 2013-2014 biennial support budget. It envisions completing the thematic and impact evaluations started in 2013; conducting six ADRs; coordinating with UNDP management to develop guidance for decentralized evaluations; and supporting revisions to the evaluation policy.

38. The independent review of the UNDP evaluation policy will conclude in 2014. Recommendations will be provided informally to the Executive Board during the second regular session of 2014.

39. Six ADRs have been launched in 2014, focused on UNDP support to Armenia, Malaysia, Somalia, United Republic of Tanzania, Uruguay and Zimbabwe. Continuing from 2013, the IEO will continue its thorough review of the evaluation methodologies used in carrying out ADRs with a view to strengthening UNDP county-level evaluation and aligning the process to the new strategic plan. The resulting recommendations on ADR revisions will be incorporated into ADR planning for 2015 and beyond.

Proposed programme of work for 2015

40. The proposed programme of work for 2015 is based on the expected allocation of resources to IEO in the 2014-2015 biennial budget. It is important to note that the 2015 work plan may be affected by recommendations from the evaluation policy review, the continuing evolution of the new UNDP strategic plan and any institutional changes stemming from the UNDP structural review.

41. The current proposal includes completing the following six thematic and impact evaluations started in 2013-2014:

(a) *Evaluation of the contribution of UNDP Human Development Reports* (HDRs) (first regular session 2015). The scope of the evaluation will cover global and regional HDRs;

(b) *The impact of UNDP support to protected areas management* (first regular session 2015). The evaluation is in progress, jointly managed by the evaluation offices of UNDP and GEF;

(c) *Joint GEF/UNDP Small Grants Programme Evaluation* (first regular session 2015). The evaluation is being carried out in two phases, the first of which was completed in November 2013;

(d) *Evaluation of the UNDP contribution to gender equality* (annual session 2015). Following the 2006 evaluation of gender mainstreaming in UNDP, this evaluation focuses on the overall contribution of UNDP to promoting gender equality and women's empowerment;

(e) *Evaluation of the role of UNDP in supporting national achievement of the Millennium Development Goals* (annual session 2015). The evaluation will focus on the tools and initiatives provided by UNDP in support of government and civil society efforts to fulfil the Goals;

(f) *The impact of UNDP support to mine action.* The evaluation will focus on UNDP support to countries to reduce the threat and impact of landmines and explosive remnants of war. Originally planned for the annual session 2015, it will be delayed due to work load and human resource constraints, and is now planned for the second regular session 2015.

42. The IEO plans to conduct 10 country-level evaluations (ADRs) in 2015.

43. The next in the series of international conferences on national evaluation capacity will take place in 2015 in the Asia and Pacific region in a partner country still to be determined.

44. The IEO will continue its ongoing corporate and learning functions, including support to decentralized evaluation and the preparation of evaluation guidance.

45. The IEO looks forward to consultations with the Executive Board and UNDP management on revisions to the proposed programme in line with evolving strategies and operational realities.

VI. Evaluation activities of the United Nations Capital Development Fund

46. The UNCDF budget for evaluation in 2013 was $547,944, drawn from core and non-core resources. During 2013, UNCDF completed:

(a) a midterm evaluation of the YouthStart programme focused on helping microfinance institutions design and deliver financial services for young people;

(b) a final evaluation assessing the performance of the Gender Equitable Local Development Programme, a joint programme implemented together with UN-Women, which focused on increasing access by women to local government services in five countries in Africa;

(c) a final evaluation of the results of a decentralization and local development programme intended to pilot a district development fund mechanism in Liberia.

47. In 2013, the UNCDF Evaluation Unit continued its dual focus on overseeing a separate evaluation function reporting directly to the Executive Secretary and in supporting programme colleagues to integrate evaluation approaches into programme design and oversight.

48. The Evaluation Unit was fully involved in the development of the new strategic framework 2014-2017 and accompanying integrated results and resources matrix; and was active in proposing an improved measurement system within UNCDF to include external evaluation, self-evaluation techniques such as programme reviews, and results-focused programme design and monitoring.

49. For 2014, the unit will continue to use where possible resources from project budgets to support evaluation management and oversight. The recruitment of three new monitoring and evaluation officers in each of the UNCDF regional offices will also help the unit to manage an increased volume of evaluations planned for 2014 and 2015.

VII. Evaluation activities of United Nations Volunteers

50. In 2013 the UNV Evaluation Unit had 2.5 staff including the chief (P-4, core-funded), an evaluation specialist (P-3, extrabudgetary-funded) and a part-time administrative assistant (GS-4, extrabudgetary-funded). The total operational budget of the Evaluation Unit amounted to $407,500, 49 per cent more than in 2012.

51. A major evaluation managed by UNV in 2013 is the summative evaluation of the UNV contribution to volunteer infrastructures. Although support for the development of volunteer schemes in partner countries is a core area of UNV activities, it had never been evaluated before.

52. The Evaluation Unit was actively involved in the development of the first UNV strategic framework (2014-2017). Specific technical assistance was provided on the formulation of outcomes and related indicators, together with strengthening the accompanying integrated results and resources matrix. The new framework provides the Evaluation Unit with both a challenge and opportunity to reconsider the strengths and weaknesses of the evaluation function and reposition itself to better support the UNV mandate and priorities.